



STATE OF NEW YORK ACTION PLAN AMENDMENT NUMBER 6 TO THE ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY

Utilizing Supplemental CDBG Disaster Recovery Funding from the Allocation, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees under the Department of Housing and Urban Development Appropriations Act, 2013

(Public Law 113-2)

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Executive Summary

On November 25, 2013, the U.S. Department of Housing and Urban Development (HUD) published a supplemental allocation of \$2,097,000,000 to support the State of New York's continued recovery efforts from Hurricane Irene, Tropical Storm Lee and Superstorm Sandy. This follows an initial allocation of \$1,713,960,000 in federal Community Development Block Grant Disaster Recovery (CDBG-DR) funds, bringing the total allocation to the State to \$3,810,960,000.

Prior to releasing the funds, HUD requires that grantees create an Action Plan that documents the proposed use of funds, and publish it for public input. HUD approved the State's initial Action Plan on April 25, 2013. The Action Plan, Amendments 1 through 5 and this document, Action Plan Amendment No. 6, are available on the State's website at <http://stormrecovery.ny.gov>.

Action Plan Amendment No. 6 provides detailed updates to the initial Action Plan, including:

- An adjusted unmet needs analysis that accounts for the remaining needs to repair and replace damaged housing, economic development and infrastructure;
- A Comprehensive Risk Analysis, which provides a methodology for analyzing large-scale infrastructure projects, in accordance with HUD Notice;
- Clarifications and budget adjustments of the New York Rising Housing Programs;
- Adjustment to the budget for the Economic Development Program;
- Increases the budget for the implementation of the New York Rising Community Reconstruction Program (NYRCR); and
- Increases budget for projects under the State's Infrastructure Program.

Proposed Distribution of Funds

Program	First Allocation (as approved by HUD)	Proposed First Allocation Amendment	Proposed First Allocation (as amended)	Second Allocation	Total
	\$ 1,713,960,000	\$ -	\$ 1,713,960,000	\$ 2,097,000,000	\$ 3,810,960,000
Housing	\$ 838,000,000	\$ -	\$ 838,000,000	\$ 1,121,019,206	\$ 1,959,019,206
<i>New York Rising Housing Program</i>	\$ 632,000,000	\$ (11,000,000)	\$ 621,000,000	\$ 435,311,524	\$ 1,056,311,524
<i>Interim Mortgage and Housing Assistance Program</i>	\$ 20,000,000	\$ (3,000,000)	\$ 17,000,000	\$ 32,000,000	\$ 49,000,000
<i>New York Rising Buyout Program</i>	\$ 156,000,000	\$ (56,000,000)	\$ 100,000,000	\$ 521,207,682	\$ 621,207,682
<i>New York Rising Rental Buildings Recovery Program</i>	\$ 30,000,000	\$ 70,000,000	\$ 100,000,000	\$ 125,000,000	\$ 225,000,000
<i>Sandy Housing Assistance Relief Program (SHARP)</i>	\$ -	\$ -	\$ -	\$ 7,500,000	\$ 7,500,000
Community Reconstruction Program	\$ 25,000,000	\$ 198,500,000	\$ 223,500,000	\$ 441,010,794	\$ 664,510,794
<i>New York Rising Community Reconstruction</i>	\$ 25,000,000	\$ 198,500,000	\$ 223,500,000	\$ 441,010,794	\$ 664,510,794
Economic Development	\$ 415,000,000	\$ (198,500,000)	\$ 216,500,000	\$ -	\$ 216,500,000
<i>Small Business Grants and Loans</i>	\$ 332,000,000	\$ (173,500,000)	\$ 158,500,000	\$ -	\$ 158,500,000
<i>Seasonal Tourism Industry</i>	\$ 30,000,000	\$ (15,000,000)	\$ 15,000,000	\$ -	\$ 15,000,000
<i>Coastal Fishing Industry</i>	\$ 20,000,000	\$ (10,000,000)	\$ 10,000,000	\$ -	\$ 10,000,000
<i>Business Mentoring Program</i>	\$ 3,000,000		\$ 3,000,000		\$ 3,000,000
<i>Tourism and Marketing</i>	\$ 30,000,000			\$ -	\$ 30,000,000
Infrastructure and Match	\$ 350,000,000		\$ 350,000,000	\$ 430,120,000	\$ 780,120,000
<i>Local Government and Critical Infrastructure Program</i>	\$ 47,300,000		\$ 128,480,000	\$ 126,120,000	\$ 254,600,000
<i>Resiliency Institute</i>	\$ 2,700,000		\$ 2,700,000	\$ -	\$ 2,700,000
<i>Non-federal Share Match Program</i>	\$ 300,000,000		\$ 218,820,000	\$ 304,000,000	\$ 522,820,000
Administration & Planning	\$ 85,960,000		\$ 85,960,000	\$ 104,850,000	\$ 190,810,000

Note: The Tourism Marketing program is allocated at \$30,000,000 as approved by HUD in the April 19, 2013, waiver. As part of delivering the Small Business Grant and Loan program, the State has dedicated funds to both promote the program to businesses and to develop a Business Mentoring program to further supporting small businesses in rebounding from the disaster events.

Public Comment

The Governor's Office of Storm Recovery (GOSR) posted Action Plan Amendment Number 6 for the use of Disaster Recovery Community Development Block Grant (CDBG-DR) funds for public comment on February 18, 2014. At that time it began accepting comments on the website www.stormrecovery.ny.gov as well as through the mail. Additionally six (6) public hearings were held throughout the most heavily impacted regions. The legal notices of these hearings and the comment period were heavily publicized in periodicals (9) throughout the state, including the three main non-English newspapers, El Diario (Spanish), Russian Bazaar (Russian) and Epoch Times (Chinese), as well as the New York Post, Long Island Newsday, Journal News, Oneida Daily Dispatch, Palladium Times, Press Republican, Staten Island Advance, Times Union and the Leader Herald.

Additional notices of public hearings were posted in newspapers throughout the state. GOSR also reached out to NYS's National Affordable Housing Act (NAHA) team leads, community based organizations that work closely with the State's Housing Agency, local elected officials and libraries to inform them both of the Action Plan Amendment comment period as well as the public hearings. The comment period officially ended on March 19, 2014.

This Amendment was made accessible to persons with disabilities upon request by telephone or written request at the address below. Translations of the APA were made in Chinese, Russian and Spanish, the three most commonly used languages in New York State based on an analysis of Census data for households with members 5 years or older with limited English proficiency.

GOSR incorporated a number of changes into the APA as a result of the public comments received, including an increase to the budget for rental programs and a clarification of the State's plan to support certain infrastructure programs. A summary of the public comments organized by topic and GOSR's response can be found starting on page 55 of the APA.

Introduction

On October 29, 2012, the largest storm in New York's recorded history swept ashore. Superstorm Sandy's impact was devastating, causing widespread damage to residents, homes, businesses, core infrastructure, government property and an economy just recovering from the recent financial crisis. Fourteen counties were declared federal disaster areas. Sixty New Yorkers died and two million customers lost power, with some blackouts lasting up to three weeks. The storm damaged or destroyed more than 157,000 housing units, affected or closed over 2,000 miles of roads, produced catastrophic flooding in subways and tunnels, and damaged major power transmission systems.

Superstorm Sandy's impact was particularly tragic coming on the heels of Hurricane Irene and Tropical Storm Lee, which in 2011 devastated many communities in upstate New York's Hudson Valley region, and caused severe damage on Long Island. Tens of thousands of homes incurred damage in these three storms, and many were destroyed by flood waters and wind. Businesses and infrastructure suffered substantial damage as well. Communities affected by these storms are still working hard every day to build back.

The Disaster Relief Appropriations Act, 2013 (Public Law 113-2, approved January 29, 2013) (Appropriations Act) made \$16,000,000,000 in CDBG-DR funds available for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) (Stafford Act), in calendar years 2011, 2012, and 2013.

On March 1, 2013, as a result of a sequestration order from the President pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, funding was reduced to \$15,180,000,000. On Tuesday, March 5, 2013, HUD published Federal Register Notice 5696-N-01, which established the requirements and processes for the first allocation of \$15,180,000,000 in federal CDBG-DR aid appropriated by the United States Congress. Under the first allocation, New York State was allocated \$1,713,960,000 to facilitate the recovery and long-term rebuilding of its impacted communities. HUD approved the State's initial Action Plan on April 25, 2013.

On November 23, 2013, HUD published Federal Register Notice 5696-N-06 which outlined the requirements governing the \$5,100,000,000 of the second allocation of CDBG-DR resources to continue disaster recovery efforts from Superstorm Sandy and the events of 2011. Under this second allocation, New York State has been allocated \$2,097,000,000 bringing the State's total allocation to date to \$3,810,960,000. Prior to obligation of these funds, HUD requires that the State submit a substantial Action Plan Amendment to the State's initial Action Plan, which outlined the use of the first allocation of CDBG-DR funds.

In June 2013, Governor Andrew M. Cuomo established the Governor's Office of Storm Recovery to maximize the coordination of recovery and rebuilding efforts in storm-affected municipalities throughout New York State. The Governor's Office of Storm Recovery is formed under the auspices of New York State's Office of Homes and Community Renewal's Housing Trust Fund Corporation (HTFC), a subsidiary public benefit corporation of the New York State Housing Finance Agency, which will direct the administration of the CDBG-DR grant.

The State's initial Action Plan focused primarily on addressing the immediate housing and business assistance needs in the communities affected by recent storms and assisting county and local governments to cover both their emergency expenses and the matching funds necessary to repair and mitigate key infrastructure projects. The State also worked with storm-damaged communities to begin comprehensive community-based planning. This Amendment adds funding to existing programs underway. It also prioritizes repairs to and mitigation of critical infrastructure, and the implementation of community-driven plans that will improve resilience and drive economic growth.

Highlights of the Second Allocation Notice

The State of New York will use the initial Action Plan and this Amendment to guide the distribution of the entire \$3,810,960,000 of CDBG-DR funding to meet the remaining unmet housing, economic development, community planning, and infrastructure needs of impacted communities. This Amendment was prepared following the guidelines set forth by HUD in the November 25, 2013, Register Notice and includes the following:

- An updated analysis of the impact and most critical unmet needs for severe damage to businesses, infrastructure and housing that remain to be addressed in the damaged counties, after taking into account data on insurance, Federal Emergency Management Agency (FEMA) assistance, and Small Business Administration (SBA) disaster loans, and other potential sources of assistance. The unmet needs analysis will detail any other projects or activities not previously considered, but for which an unmet need has become apparent;
- A description of the Comprehensive Risk Analysis that the State will use to identify and select infrastructure project investments;
- A revised list of eligible affected areas and the proportion of CDBG-DR funds to be dedicated to the most impacted areas;
- A description of how the proposed use of CDBG-DR funds will address long-term recovery needs;
- Activities for which CDBG-DR funds may be used;
- Incorporation of green building standards; and
- Grant administration standards.
- This version incorporates all public comments received during the public comment period
- Based on the public comments received, the State has increased the New York Rising Rental Buildings Recovery Program's budget by \$25,000,000.

The November 25, 2013, Federal Register Notice updated the counties in which a minimum of 80% (or \$3,048,768,000) of the State's total allocation must be expended. The original set of most impacted counties identified by HUD in the March 5, 2013, Federal Register Notice were Nassau, Suffolk, Westchester, and Rockland. The second notice added the five boroughs of New York City to the State's 80% threshold. However, since New York City received its own allocation of CDBG-DR funds, only a few of the State's recovery programs will be applicable for the five boroughs.

TABLE 1: ELIGIBLE COUNTIES

80% of Allocation		20% of Allocation				
Bronx	Rockland	Albany	Dutchess	Herkimer	Otsego	Tioga
Kings	Suffolk	Broome	Essex	Montgomery	Putnam	Tompkins
Nassau	Westchester	Chemung	Franklin	Rensselaer	Schenectady	Ulster
New York		Clinton	Fulton	Saratoga	Schoharie	Warren
Queens		Columbia	Greene	Oneida	Suffolk	Washington
Richmond		Delaware	Hamilton	Orange	Sullivan	

In addition to spending 51% of the total allocations on persons determined to be low- and moderate-income (LMI) by HUD standards, HUD requires that the State of New York either ensure that it uses a portion of its allocation to address resiliency and local cost share requirements for damage to both the Metropolitan Transportation Authority infrastructure in New York City and the Port Authority of New York and New Jersey; or demonstrate that such resiliency needs and local cost share have otherwise been met.

Updated Impact and Unmet Needs Assessment

This Impact and Unmet Needs Assessment updates the previous analysis provided in the initial Action Plan. The unmet need figures in this section represent the estimated gap between identified rebuilding and mitigation costs and total funding already committed by other sources. HUD's methodology shows a partial picture of the full unmet needs. The State's unmet needs analysis starts with HUD's calculation for unmet needs. In addition, the State has analyzed a number of different factors within each program area to determine the full unmet need remaining to repair and rebuild homes, businesses and infrastructure in the most impacted communities throughout New York State. Following HUD's updated methodology provided in the November 25, 2013, Federal Register Notice, it is estimated that there is approximately \$7,986,950,000 in unmet needs to repair and mitigate New York's housing, business and infrastructure as a result of the damage from the three named storms. The State's additional analysis estimates approximately \$15,742,200,000 in outstanding housing, business and infrastructure repair and recovery-related mitigation needs not currently funded by federal programs. The State continues to analyze and update its unmet needs as additional information is made available on damages as well as resources made available for rebuilding and recovery.

The analysis is divided into three sections: Housing, Economic Development, and Infrastructure. Since New York City received a separate CDBG-DR allocation for their recovery, the unmet needs for housing and economic development excludes the counties of New York City. These sources include FEMA grants to households and public entities, SBA loans, assumed insurance proceeds, and other federal funding sources. The needs estimates are effective as of February 2014, and are subject to change as new information becomes available.

As such, summary tables and statistics included here for housing and business needs exclude New York City unless stated otherwise. The analysis of infrastructure unmet needs, however, includes New York City since many of the impacted systems are of statewide concern, including public transit, roads and water management. The analysis also addresses the storms' impact on HUD-owned properties and vulnerable populations, defined as displaced low income households, substantially damaged low and moderate income areas, and households with special needs. These groups are assessed at the Census Tract level where possible and summarized by municipality within Appendix A.

There are several differences in the unmet needs methodology for this Amendment compared to the previous version for the initial Action Plan.ⁱ The revised methodology, combined with the availability of new data since the April 2013 publication, results in new unmet need figures, as shown below:

TABLE 2: ESTIMATE OF UNMET NEEDS FOR HURRICANE IRENE, TROPICAL STORM LEE AND SUPERSTORM SANDY IN MILLIONS (EXCLUDING NEW YORK CITY)

	Unmet Need
Housing	\$3,524.53
Economic Development	\$701.76
Infrastructure	\$3,760.66
Total	\$7,986.95

Source: FEMA Individual Assistance data effective January 15, 2014, Small Business Administration Business Loan data, effective December 6, 2013, FEMA Public Assistance data effective January 27, 2014, Dun and Bradstreet business records for 2012, FEMA Hurricane Sandy Inundation Files April 23, 2013, and Federal Transit Administration, Federal Highway Administration, and U.S. Army Corps of Engineers Sandy-related projects effective January 29, 2014.

A summary of the impact and unmet needs analysis is provided within the body of this Amendment. Additional County and community data is available in Appendix A.

Housing Damage and Unmet Needs

Hurricane Irene, Tropical Storm Lee and Superstorm Sandy caused widespread damage to New York's housing stock along the Atlantic Coast and in the central southern portion of the state, with an estimated 124,447 owner-occupied homes and 32,695 occupied rental units impacted statewide. Excluding New York City, an estimated 78,791 owner-occupied homes and 12,365 occupied rental units were damaged. Damage consisted of flooding from storm surge, river flooding and heavy rains along with structural damage caused by heavy winds. The cost to repair or replace damaged homes located outside of New York City, including mitigation needs, is estimated to be \$6,536,579,225. Subtracting out the estimated FEMA grants, SBA loans and insurance proceeds, the cost of estimated unmet need is \$3,524,532,732.

The following table provides an overall summary of the housing damage that occurred from these three storms, categorized by tenure (owners and renters) and severity of damage. The damage categories are further explained within the methodology section of the unmet needs and follow HUD guidelines. The counts of housing units considered damaged are based on FEMA Individual Assistance (FEMA IA) applicants who were eligible and received FEMA funding due to recorded property damage.ⁱⁱ Because each eligible applicant represents an occupied unit, this data set excludes damage to vacation homes and vacant property.

TABLE 3: ESTIMATE OF DAMAGED, OCCUPIED HOUSING UNITS FROM HURRICANE IRENE, TROPICAL STORM LEE AND SUPERSTORM SANDY (EXCLUDING NEW YORK CITY) BASED ON FEMA INDIVIDUAL ASSISTANCE APPLICANTS WITH VERIFIED DAMAGE

Tenure	Minor Damage	Major Damage	Severe Damage	All Damage
Owners	25,157	43,108	10,526	78,791
Renters	2,077	9,045	1,243	12,365
Total	27,236	52,162	11,771	91,169

Source: FEMA Individual Assistance Data, effective January 15, 2014. Note: 13 applicants did not identify their tenure as renter or owner, and are included as "All Damage." For this reason, the sum of renters and owners is less than the total.

HUD defines "most-impacted" as homes with major to severe damage, totaling 63,933 in counties outside of New York City.ⁱⁱⁱ The greatest number of housing units with major to severe damage are within the following counties:

TABLE 4: ESTIMATE OF OCCUPIED HOMES WITH MAJOR AND SEVERE DAMAGE FROM HURRICANE IRENE, TROPICAL STORM LEE AND SUPERSTORM SANDY (EXCLUDING NEW YORK CITY) BASED ON FEMA INDIVIDUAL ASSISTANCE APPLICANTS WITH VERIFIED DAMAGE

County	Owner-Occupied	Renter-Occupied	Tenure Undefined	Total
Nassau	29,325	6,249	5	35,579
Suffolk	8,714	1,340	2	10,056
Broome	3,798	958	3	4,759
Orange	2,061	197		2,258
Tioga	1,451	318		1,769
Ulster	1,139	160		1,299
Schoharie	818	172		990
Westchester	839	118		957
Other	5,489	776	1	6,266
Total	53,634	10,288	11	63,933

Source: FEMA Individual Assistance Data, effective January 15, 2014

According to HUD's guidelines for calculating unmet housing needs, the analysis includes estimated damage, known FEMA awards to date, and assumptions on the portion of damage covered by private insurance and SBA loans. In other words, it is the estimated cost of housing damage, *minus* an estimate of funds already received or anticipated to cover those costs.

To estimate the extent of housing damage, the analysis combines FEMA damage estimates with recorded flood depths.^{iv} First, all applicants are given a score of 0-5 based on FEMA's initial damage assessment. If FEMA determined the damage to be zero, then the unit is presumed to be either not damaged or ineligible for assistance. The State then adjusted these scores to account for flooding, with properties receiving at least one foot of flooding considered "Major or Severely Damaged" (depending on flood depth outlined in Table 5).

Using this methodology, there were 91,169 occupied housing units outside of New York City damaged in these three storm events, comprised of 78,791 owners, 12,365 renters, and 13 units with undefined tenure. 63,933 of these units experienced major to severe damage and are considered "most impacted".^v

TABLE 5: DAMAGE CATEGORIES FOR IMPACTED HOMES BASED ON FEMA INDIVIDUAL ASSISTANCE RECORDS

Damage Category	OWNERS: FEMA-determined real property loss	RENTERS: FEMA-determined personal property loss	Flood Depth
1 ("Minor-Low")	\$1 - \$2,999	\$1 - \$999	N/A
2 ("Minor-High")	\$3,000 - \$7,999	\$1,000 - \$1,999	N/A
3 ("Major-Low")	\$8,000 - \$14,999	\$2,000 - \$3,499	1-4 feet
4 ("Major High")	\$15,000 - \$28,799	\$3,500 - \$7,499	4-6 feet
5 ("Severe")	≥ \$28,800	≥ \$7,500	6+ feet

Source: Damage categories developed using guidelines prescribed in HUD Federal Register Notice (FR-5696-N-06)

It should be noted that the FEMA damage estimates, in most cases, underestimate the full cost of damage since the assessments were conducted rapidly immediately after the storm. HUD has acknowledged this and recommends using SBA loan information to adjust these figures based on averages of SBA damage estimates. Since the SBA loan requires a more detailed cost estimate, the loan value is presumed to more accurately reflect actual repair costs.

To calculate estimated damages, the analysis applies the average SBA loan amount by damage category (Minor-Low to Severe) to each impacted home without damage assessments. Based on this analysis, the total estimated cost of housing damage is \$5,185,879,225 in New York, excluding New York City.

TABLE 6: DAMAGE ESTIMATES BY DAMAGE CATEGORY BASED ON AVERAGE SBA LOAN AMOUNTS FOR NEW YORK

Damage Category	FEMA Sample Size	SBA Sample Size	Damage Estimate (Average SBA loan amount by Damage Category)
1	30,496	1,603	\$29,745
2	23,346	2,453	\$44,345
3	31,952	4,406	\$53,278
4	27,806	6,259	\$73,979
5	14,581	4,164	\$103,491

Source: FEMA Individual Assistance data effective January 15, 2014; universe includes SBA loans for homes in New York City

Homeowners

Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy collectively damaged 78,791 owner-occupied housing units in New York, exclusive of New York City. An estimated 68% of these units (53,634) suffered major to severe damage. The total estimated damage cost for owner-occupied homes outside of New York City is \$4,620,481,272.

The estimate of unmet needs for owner-occupied housing uses both FEMA IA records and Small SBA loan data for all three storms. Because the SBA loan amount is presumed to reflect a detailed calculation of repair estimates, a homeowner with an SBA loan is determined to have no unmet need. Based on this assumption, 14% of owner-occupied housing units are presumed to have no unmet need.

To determine unmet need for repairs, the estimated cost of damage is reduced by the estimated funds distributed for repairs of owner-occupied units. These funds include FEMA grants, SBA loans, and insurance proceeds. For homeowners with insurance, HUD assumes insurance proceeds cover 80% of the damage minus the FEMA grant. For those without SBA assistance, the estimated damage is the average SBA amount for that damage category. Subtracting out insurance proceeds and FEMA grants, the unmet need to repair storm damage to owner-occupied homes in areas outside of New York City is \$1,859,407,409.

HUD has also identified hazard mitigation as part of recovery as an unmet need. This includes elevation of structures, elevation of HVAC systems, and other storm-proofing measures. Because these needs were not assessed by FEMA or SBA, it is difficult to provide an accurate cost estimate of hazard mitigation needs. For the purpose of this analysis, hazard mitigation costs equal 30% of total damage costs to housing units that experienced major or severe damage, estimated at \$3,784,671,450-. This is equivalent to \$1,135,401,435 outside of New York City. Factoring in the costs to repair damage and mitigate against future events, the total estimated unmet need for owner-occupied homes, excluding New York City, is \$2,994,808,844.

TABLE 7: OWNER-OCCUPIED HOUSING NEEDS IN UNITS (EXCLUDING NEW YORK CITY)

Storm	Unmet Need - Repair (Units Determined to Have Insufficient Funds from FEMA or SBA to Repair Damage)	Unmet Need - Mitigation (Owner-Occupied Housing with Major or Severe Damage)
Lee	8,924	6,531
Irene	21,146	10,487
Sandy	48,721	36,616
Total	78,791	53,634

Source: FEMA Individual Assistance data effective January 15, 2014

TABLE 8: OWNER-OCCUPIED HOUSING NEEDS IN MILLIONS (EXCLUDING NEW YORK CITY)

Storm	Unmet Need - Repair	Unmet Need – Mitigation (Owner-Occupied Units with Major or Severe Damage)	Total Need
Lee	\$341.11	\$131.64	\$472.75
Irene	\$679.97	\$197.50	\$877.47
Sandy	\$838.33	\$806.26	\$1,644.59
Total	\$1,859.41	\$1,135.40	\$2,994.81

Source: FEMA Individual Assistance data effective January 15, 2014

Rental Housing

According to FEMA's preliminary damage estimates found within FEMA IA records effective January 15, 2014, Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy damaged an estimated 12,365 rental units in New York outside of New York City. Of the 12,365 damaged occupied rental units, 10,288 are categorized as "most impacted" by having major to severe damage. The estimated cost of damage to rental housing outside of New York City is \$717,517,916.

HUD's recommended methodology for calculating unmet rental housing needs is to identify the outstanding costs a property-owner may face in restoring his or her property. Landlords who rent to households earning more than \$30,000 are presumed to have sufficient insurance proceeds to make the necessary repairs, while those that rent to households making less than \$30,000 will not have enough insurance to cover costs. HUD, assumes that 75% of repair costs for damaged units occupied by renters earning less than \$30,000 a year can be categorized as unmet needs.

Based on this methodology, 6,376 of 12,365 damaged rental units, whose renters earn less than \$30,000 annually, qualify as having unmet needs. The estimated unmet need for rental repair is estimated to be \$314,468,513.

Given the high cost of living in much of New York, incomes of low income renters are higher than in most other areas of the country, the State believes the actual gap for landlords' ability to repair and mitigate damaged rental stock exceeds the \$314 million. For example, in Nassau County, where the cost of living is particularly high, an individual can earn \$58,000 and be "low income" as defined by HUD. In fact, \$30,000 more closely represents Extremely Low Income households (defined as households earning less than 30% of Area Median Income) and restricts unmet needs to *deeply affordable rental housing*. And yet the majority of renters who have applied for FEMA assistance (~82% of renters with major to severe damage) are estimated to be low and moderate income but are excluded from the above calculation.^{vi}

The State's analysis takes into account the needs of landlords with households greater than \$30,000, and believes that the unmet needs for rental repair may be significantly higher than this analysis indicates.

In addition to unmet need for repairs, HUD guidelines suggest that there are substantial mitigation needs for units with major to severe damage. This analysis assumes 30% of all major to severe damage costs for rental units, estimated at \$717,517,916, is also needed for mitigation related to the disaster events. This is equivalent to \$215,255,375. This includes renters earning less than \$30,000 who also have unmet needs for repairs, and higher income renters with major to severe damage, but whose damage costs are presumed to be covered by insurance proceeds.

In total, according to the HUD calculation for unmet needs, there is an unmet need of \$529,723,888. This includes the \$314,468,513 in repair costs for rental units damaged and occupied by households earning less than \$30,000 annually, plus 30% of damage costs for all rental units that experienced major to severe damage. Since the unmet need does not account for low income renters earning above \$30,000 annually, the actual unmet

need likely exceeds this figure. As the State operationalizes its rental programs, it will continue to assess the unmet needs of repairing, mitigating and increasing rental stock within the impacted communities.

TABLE 9: RENTAL HOUSING NEEDS IN UNITS (EXCLUDING NEW YORK CITY)

Storm	Unmet Need – Repair (Damaged Rental Housing Occupied by Household Earning Less than \$30,000/yr.)	Unmet Need - Mitigation (Rental Housing with Major or Severe Damage)
Lee	1,172	1,437
Irene	1,095	1,391
Sandy	4,109	7,460
Total	6,376	10,288

Source: FEMA Individual Assistance data and effective January 15, 2014

TABLE 10: RENTAL HOUSING NEEDS IN MILLIONS (EXCLUDING NEW YORK CITY)

Storm	Unmet Need – Repair (Damaged Rental Housing Occupied by Household Earning Less than \$30,000/yr.)	Unmet Need – Mitigation (Rental Housing with Major or Severe Damage)	Total Need – Rental Housing
Lee	\$60.33	\$31.20	\$91.53
Irene	\$50.59	\$28.44	\$79.03
Sandy	\$203.55	\$155.62	\$359.16
Total	\$314.47	\$215.26	\$529.72

Source: FEMA Individual Assistance data and effective January 15, 2014

HUD-Assisted Properties

The Unmet Needs Assessment within the State's initial Action Plan for CDBG-DR Recovery under Hurricane Irene, Tropical Storm Lee and Superstorm Sandy identified three public housing authorities (PHAs) that were impacted by the storms and in need for recovery assistance – Freeport Public Housing Authority, Long Beach Public Housing Authority, and Hempstead Housing Authority. Based on initial damage estimates provided by the PHAs, there is an estimated \$10 million of emergency repairs that were needed immediately after the storm. The properties most impacted include the Moxey Rigby Complex in Freeport, Channel Park Homes in Long Beach, and Inwood Gardens in Hempstead.

In November of 2013, The Governor's Office of Storm Recovery surveyed the three impacted public housing authorities to update the initial analysis of damages and needs. All of these properties have been repaired and reoccupied, although some mitigation needs remain.

Freeport Housing Authority – The Freeport Housing Authority manages 351 apartment units at five locations within the village limits of Freeport. Of these complexes, the Moxie Rigby location, consisting of 100 units of family housing, was impacted by Hurricane Irene and Superstorm Sandy. Floodwaters inundated 7 buildings, causing damage to mechanical, electrical and specialty systems. High winds blew trees down due to and power surges caused strain on the water circulation systems, burning out pumps. Both storm events significantly damaged basement systems which subsequently had to be replaced twice in two years.

The primary need at the Freeport Housing Authority at this time is relocation of critical systems, including boilers and hot water heaters, to avoid damages in future storm events.

Long Beach Housing Authority – The Long Beach Housing Authority operates 374 subsidized low-rent units within five development sites. The overall occupancy rate is 100%.

Channel Park Homes, a family development, experienced the greatest damage, including flooding on the first floor of homes and community facilities. The damage required mold remediation, replacement of floors and

drywall, painting, replacement of appliances and kitchen cabinets, and repair or replacement of HVAC systems. Additionally, brick façade walls on three of the residential buildings collapsed or were severely compromised.

Four senior high-rise buildings were also damaged caused by high winds and flooding within basements and communal areas. The damage required repairs to floors and walls, equipment, and HVAC systems. While homes were minimally impacted, damage to elevators, electrical systems and heating units emphasized the need to relocate emergency generators and heating and cooling systems. As of November 2013, no storm mitigation or other resiliency improvements had been completed.

Town of Hempstead Housing Authority – The Town of Hempstead Housing Authority operates 14 housing sites within Nassau County, five of which are located within the 100-year flood plain and were evacuated before the storm made landfall. All 14 sites withstood some level of damage, with three sites receiving significant damage.

Inwood Gardens and Mill River Gardens were damaged by flooding and high winds. Residential units and community spaces were inundated with saltwater. Repairs consisted of mold remediation, asbestos abatement, and replacement of electrical systems, boilers, sheetrock, appliances, cabinets, fixtures, and insulation. The asbestos abatement work required relocation of existing residents.

Green Acres suffered significant roof damage, requiring structural repair and the relocation of one resident.

All repairs have been made to date, using a combination of the Town of Hempstead Housing Authority's own funds, insurance proceeds and FEMA funds. The housing authority has four applications to FEMA's HMGP Program for approximately \$6,000,000 in flood proofing, elevating HVAC systems, and structural stabilization measures. The applications are expected to be processed in the spring of 2014.

TABLE 11: DAMAGE ASSESSMENT FOR PUBLIC HOUSING AUTHORITIES

	Repairs	Mitigation	Total
Freeport PHA	\$207,000	still assessing needs	\$549,000
Long Beach PHA	\$2,700,000	still assessing needs	\$2,700,000
Town of Hempstead PHA	\$7,000,000	still assessing needs	\$7,000,000

Source: Self-Reported Estimates from surveys with Freeport, Long Beach and Hempstead PHAs conducted by NY Office of Storm Recovery October – November, 2013

The State is committed to helping to address the unmet needs of the Public Housing Authorities. Most of the PHAs are still negotiating with FEMA regarding their FEMA claims. The State is working with the PHAs, HUD, FEMA and other state agencies, to ensure that all resources including FEMA PA, 404 and 406 mitigation, are maximized to meet the unmet needs of the PHAs. Within the State's portfolio of programs outlined in this APA, there are multiple programs for PHAs to receive assistance: the Multi Family/Affordable Housing Fund; the State Housing Assistance Relief Program; the Community Reconstruction Program and the Match Program. The State will continue the dialogue with the PHAs to understand progress in the FEMA process and to assess and utilize the programs accordingly to address the PHAs' needs.

Emergency Housing and Homelessness

Very low income households, the homeless population, and individuals with physical, cognitive and mental disabilities are particularly vulnerable after a disaster due to the limited availability of temporary housing options to meet particular needs coupled with inflated housing prices where housing supply is significantly reduced. Long-term recovery must include an assessment of needs beyond housing, including providing permanent care providers, access to public transportation, ADA accessibility, and in-home medical care.

There are an estimated 150 projects for homeless and transitional housing and 100 emergency shelters located within storm-impacted areas. This resulted in many vulnerable populations being evacuated or living without

electricity or heat for weeks. The New York State Homeless Housing and Assistance Program (HHAP) has stated a need for mitigation measures, including a need for back-up generators, revamping electrical and heating systems, and upgrading electronic storage systems to preserve client and program data.

Displaced Households

In April of 2013, more than 1,000 displaced New York households were living in emergency housing through FEMA's Temporary Shelter Assistance (TSA), while many more were living with family and friends or paying for rental units while waiting for their homes to be repaired.

Since that time, the State has worked with FEMA to transition households in emergency housing into more permanent housing solutions through the Disaster Housing Assistance Program (DHAP). This program allows low income families who cannot afford more permanent housing to receive rental assistance for up to 12 months if they provide a portion of their income towards rent. This portion is set at 30% of income and increases every three months, to 35%, 37.5% and finally, to 40% of household income by the ninth month of assistance.

Between April and October of 2013, FEMA referred 304 families needing longer-term rental assistance to HUD, with 232 families currently being served by the DHAP program. The majority of these families are from Nassau County (60%), with 46 of those households now living in other counties.

TABLE 12: DISPLACED FAMILIES IN THE DHAP PROGRAM AS OF JANUARY 2014

County	Residence in October 2012	Residence in January 2014
Kings	15	31
Nassau	139	93
Queens	28	27
Richmond	25	40
Suffolk	22	26
Other	3	15
Total	232	232

Source: New York State Homes and Community Renewal, January 27, 2014

All households participating in DHAP are working with the State's Disaster Case Management Program (DCM) to develop a long-term housing plan. But for many low income households, transition to permanent housing is difficult due to the lack of affordable housing.

Low and Moderate Income Communities

A significant number of low and moderate income households were impacted by the storms. This is particularly true of renters, where 82% of the rental units with major to severe damage were occupied by low and moderate income households. There are also a tremendous number of moderate and middle income homeowners that were impacted, equivalent to 22,913 families. The counties with the highest number of storm-impacted low and moderate income households are Nassau County (18,426 households), Suffolk County (5,383 households), and Broome County (3,122 households). There are also significant numbers of very low income households (earning less than 30% of AMI) that likely have a more difficult time repairing their homes or finding affordable rental housing. An estimated one in five households who suffered major to severe damage to their homes fall within this category.

TABLE 13: HOUSEHOLDS WHOSE HOMES WERE MAJORLY OR SEVERELY DAMAGED IN HURRICANE IRENE, TROPICAL STORM LEE AND SUPERSTORM SANDY, BY TENURE AND INCOME (EXCLUDING NEW YORK CITY)

Income Category	Owner-Occupied Households	Renter-Occupied Households	Tenure Undefined	Total
Below 30% AMI	7,701	4,354	4	12,059
30% AMI to 50% AMI	7,643	2,165	2	9,810
50% AMI to 80% AMI	11,115	1,873	2	12,990
Above 80% AMI	22,913	1,187	2	24,102
Unreported Income	4,262	709	1	4,972
Total	53,634	10,288	11	63,933

Source: FEMA Individual Assistance data and effective January 15, 2014 and HUD Income Limits based on Area Median Income by County, 2012.

The impacted communities with the largest number of low and moderate income households with major to severe damage include Long Beach, Freeport, Oceanside, Lindenhurst, Island Park, Massapequa, Binghamton, East Rockaway, Baldwin and Seaford.

In Long Beach, Freeport, Island Park, Lindenhurst, Binghamton, Baldwin and East Rockaway, the majority of major and severe damage (greater than 50%) was incurred by low and moderate income households.

Damage to low and moderate income renter-occupied units is particularly acute in Long Beach, Island Park, Freeport, Lindenhurst and Oceanside.

To address impacted low and moderate income communities, this needs assessment also addresses low and moderate income Census Tracts damaged by Hurricane Irene, Tropical Storm Lee and Superstorm Sandy. This complements the unmet needs assessment conducted in April 2013, which focused on communities with substantial low and moderate income populations. With the understanding that there are middle-income and wealthy communities that may have pockets of lower income families, this analysis provides an overview of where those pockets are, regardless of the wealth of the larger community.

The analysis identifies where there are low and moderate income Census Tracts with more than 100 housing units damaged, or where there was flooding of more than one foot. A Census Tract is determined to be low and moderate income if more than 50% of households earn less than 80% of Area Median Income. Based on this analysis, we see low and moderate income neighborhoods with impacted by the storms in Binghamton, Babylon, Poughkeepsie, Hempstead, Middletown, Brookhaven and Blenheim.^{vii} A more detailed demographic analysis of these low and moderate income areas, including statistics on race and ethnicity and poverty rates, are provided in Appendix A.

Homes at Repetitive Risk

Superstorm Sandy's storm surge forcefully illustrated how many homes in New York are located in flood plains and will continue to be at risk after rebuilding. Housing units that are located within 100-year flood plains and were destroyed by flooding are potential targets for acquisition or buyout by FEMA and/or the State as a means to avoid future damage and loss of life in another storm event.

When the flood damage is overlaid with FEMA's 100-year flood plain maps, it shows that nearly 8,000 housing units are located within a 100-year flood plain and were severely damaged by the storms of 2011 and 2012 within the entire state. These housing units are at a high risk in the event of future floods, and many of these communities also face personal safety risks due to the powerful impact of storm surge that can topple homes and cause severe and long-term flood damage. Residents within these communities may have needs beyond repair and mitigation, including relocation to safer areas through buyout programs.

TABLE 14: HOUSING UNITS SEVERELY DAMAGED BY SUPERSTORM SANDY LOCATED WITHIN 100-YEAR FLOOD PLAIN

County	Severely Damaged Housing Units
Nassau	5,461
Suffolk	1,604
Tioga	268
Broome	159
Rockland	122
Delaware	78
Orange	70
Ulster	59
Westchester	57
Rensselaer	21
Saratoga	18
Dutchess	13
Other	26
Total	7,956

Sources: FEMA Advisory Base Flood Elevation (ABFE) Maps effective December 2013, FEMA Q3 Maps effective February 2014, and FEMA Individual Assistance data, effective January 15, 2014. Q3 Maps used to determine 100-year flood plain where ABFE maps are unavailable.

Summary of Housing Unmet Needs

Hurricane Irene, Tropical Storm Lee and Superstorm Sandy were collectively the second costliest storm in American history, estimated at more than \$50 billion in damages.^{viii} Approximately 90,000 occupied housing units were damaged outside of New York City, including 78,791 owner-occupied units and 12,365 renters. The majority of these units—approximately 70%—received major to severe damage.

The housing unmet needs is reflective of the estimated cost of damage and estimated mitigation needs for occupied units, minus funding received or anticipated from FEMA, SBA and private insurance to repair damage. The estimated unmet need for housing is \$3,524,532,732.

TABLE 15: HOUSING UNMET NEEDS FOR HURRICANE IRENE, TROPICAL STORM LEE AND SUPERSTORM SANDY IN MILLIONS (EXCLUDING NEW YORK CITY)

Tenure	Repair	Mitigation	Total
Renter	\$314.47	\$215.26	\$529.72
Owner	\$1,859.41	\$1,135.40	\$2,994.81
Total	\$2,173.91	\$1,350.70	\$3,524.53

Source: FEMA Individual Assistance Data effective January 15, 2014

Businesses

The storms of 2011 and 2012 had a widespread impact on businesses throughout the Eastern Seaboard, affecting an area that produces 10% of America's economic output.^{ix} While damage to property and contents was concentrated along the coasts and within river communities, the effects of the storms caused business disruption for an estimated 300,000 small businesses throughout the state.^x Many of these businesses did not receive any assistance, particularly if they did not incur physical damage but were closed due to loss of power or damaged roads.

Most communities experience a typical pattern in post-disaster economies. Because of the surge of post-disaster rebuilding, many recovery-related businesses, especially construction, experience a surge in business. Once rebuilding is underway, researchers and economists see clear economic benefits to storm recovery. Households and businesses spend their own money, grants and insurance proceeds to rebuild their homes and workplaces and all of the supplies within them that were damaged or lost. This spurs the economy, particularly for the construction industry and home-related retail.

At a macro-level, the recovery spending will have a positive impact on the regional economy. The Economic Impact study published recently for Superstorm Sandy follows this same logic. It acknowledges that Superstorm Sandy caused tremendous damage to businesses throughout the region, but states that it is likely short-term and, through rebuilding efforts, will in fact bolster the regional economy. The public and private dollars used to fund recovery will create approximately 88,000 new jobs per year and increase economic output.^{xi}

However, the devastating effects of the event linger for businesses that either experience direct physical damages or significant business interruption. In addition, the direct market for locally produced and sold items are disrupted sometimes for months. For small and disadvantaged businesses excluded from this rebuilding activity, the impact can be severe and long-lasting. Due to a lack of funds and limited resources, many businesses need assistance to simply maintain business operations and many may take months to begin to rebuild. In particular, small businesses and seasonal businesses with limited incomes are less likely to recover without additional assistance. Further, many small businesses do not qualify for SBA disaster loans or are not financially capable to take on additional debt and are thus left to begin repairs and rebuilding with few resources.

The State's analysis of the unmet economic development recovery needs provides an estimated dollar figure for unmet business needs using the following available data: SBA business loan information from December of 2013 and an assessment of storm-related business damage and economic impact using Dun and Bradstreet business data from 2012 overlaid with FEMA Superstorm Sandy flood inundation maps.

Methodology for Calculating Unmet Business Needs

For the purpose of this analysis, businesses which applied for an SBA business loan but were denied have unmet business needs. This approach relies on the methodology outlined in the November 25, 2013 Federal Register Notice and is based on the SBA commercial loan application data. To calculate unmet need, the average SBA loan amount within each county is multiplied by the number of denied loan applications. As of December 2013, SBA received 4,767 loan applications for New York businesses outside of New York City, and 3,292 of these businesses (70% of all applicants) were denied a loan. The resulting calculation of unmet needs for these businesses is \$378,868,145.

Additionally, the analysis factors in mitigation costs for substantially impacted businesses which can be equivalent to 30% of the damage costs. The estimated mitigation needs for businesses with major to severe damage is \$125,291,040, which includes businesses that incurred physical damage from the storms and businesses negatively impacted by the storms in need of mitigation assistance. When combined, the unmet business needs is \$504,159,184.

TABLE 16: ESTIMATED UNMET BUSINESS NEEDS USING SBA DATA (EXCLUDING NEW YORK CITY)

Damaged Businesses	Total Damage	Minus SBA Loans Received	Unmet Need – Repair	Mitigation Costs	Unmet Business Needs
4,767	\$556,849,064	\$177,980,920	\$378,868,145	\$125,291,040	\$504,159,184

Source: U.S. Small Business Administration commercial loan applications, effective December 6, 2013

It should be noted that the SBA data for unmet business needs does not reflect the full universe of businesses damaged by the storms and in need of assistance. The primary reason is that not all impacted businesses qualify for SBA loans or can afford additional loans. For businesses to qualify, they must have good credit and assets to guarantee the loan, which excludes many small businesses and micro-enterprises—often the businesses with the most limited resources and therefore greatest need. Many of these business owners were aware that they would not qualify and therefore did not apply to the program. Therefore, their needs are not reflected in the calculation of unmet needs. In addition, per SBA Loan guidelines, for business that qualify and have a credit rating high enough to allow them to access other financing, the SBA interest rate could be as high as 8%, which has the effect of discouraging some small businesses from applying for SBA loans.

Additional Data to Assess Unmet Business Needs

The unmet needs for economic development also includes an assessment of impacted business operations. The intention is to account for businesses that may not have applied for an SBA loan but have unmet needs due to business interruption and the lack of infrastructure to support ongoing operations. This issue was particularly acute after Superstorm Sandy, where power outages were widespread and lasted for weeks. Communities have expressed concern that small businesses may struggle and fail without additional support beyond commercial loans.^{xii}

For purposes of this analysis, lost profit due to interrupted business operations is used as a proxy for estimating unmet business needs beyond repair. This analysis includes small businesses located within Census Tracts that had at least one foot of flooding.^{xiii} To estimate lost profit, the analysis assumes these businesses were closed for two weeks, impacting an estimated 77,902 small businesses and resulting in a loss of an estimated \$197,599,619.^{xiv} Approximately 75% of this loss occurred within Nassau and Suffolk counties.

TABLE 17: ESTIMATED UNMET BUSINESS NEED BASED ON BUSINESS INTERRUPTION DUE TO SUPERSTORM SANDY (EXCLUDING NEW YORK CITY)

County	Small Businesses in Census Tracts with ≥ 1' of Flooding	Annual Revenue	Estimated Profit Loss Due to Superstorm Sandy
Nassau	28,943	\$31,200,252,754	\$58,262,908
Suffolk	35,529	\$36,204,118,737	\$90,215,142
Westchester	10,265	\$16,689,579,588	\$39,722,330
Orange	1,588	\$2,852,146,319	\$7,425,756
Rockland	1,287	\$678,405,157	\$1,516,501
Ulster	290	\$232,499,257	\$456,981
TOTAL	77,902	\$87,857,001,812	\$197,599,619

Source: GCR Inc. using business data provided by Dun and Bradstreet and FEMA Inundation Files for Superstorm Sandy April 18, 2013

Many of these businesses recouped a portion of this loss once power was returned and business operations resumed, and some exceeded sales revenue post-storm due to storm-related business activities, particularly within the construction industry. But other businesses were more vulnerable to storm-related revenue loss, particularly small retail establishments, the fishing industry, and service-oriented micro-businesses outside of the construction industry.^{xv} According to Liberty Street Economics, unemployment increased from 35,000 to above 100,000 in the first week of November following Superstorm Sandy, and remained at that level for four weeks before returning to pre-storm levels.^{xvi} From a macro-level, this indicates that economic impacts were short-lived. It is assumed that the jobless claim returned to normal because of businesses repairing facilities along with new jobs being created from rebuilding and clean-up efforts. While the macroanalysis portrays a recovering economy, it does not account for the individual business perspective and ongoing experience in which they are unable to fully restore their operations or rebuild their businesses due to depleted resources, limited access to capital and insufficient insurance.

Impacted Communities

The State anticipates that heavily impacted communities will have long-term economic impacts to their tax base as a result of depreciated property values, hence ad valorem tax revenue, due to the storms. FEMA is still in the process of adjusting their Advisory Base Flood Elevation maps that determine flood zones, and ultimately determine insurance requirements and implied flood risk. These changes, coupled with evidence of prior flooding, will lower property values in many coastal areas.

While it is still too early to determine how the market will react to these changes, the State has received information from Nassau and Suffolk Counties indicating that this lost revenue will have an impact on the local economy and the communities' ability to provide basic services.

Additionally, many businesses within heavily impacted communities still struggle to rebuild. Based on an analysis of Dun and Bradstreet data and SBA loan information, small businesses in Long Island, Staten Island, the Rockaways, Red Hook, and Catskill communities like Prattsville and Windham were significantly impacted and have not secured the funding necessary to rebuild or recover to pre-storm levels

Economic Revitalization Needs

Superstorm Sandy, Hurricane Irene and Tropical Storm Lee caused widespread damage across New York, with devastating damage occurring in parts of Queens, Brooklyn, Long Island, Staten Island and lower Manhattan. In total, an estimated 300,000 businesses were located in flooded areas. These businesses suffered physical damage to their business operations, or at a minimum, were closed for extended periods of time due to power outages and limited transportation networks.

Even businesses which did not flood were impacted in a variety of ways, including damage to structures and contents, wind damage and business interruptions due to power loss, closed roads and flooding in the vicinity of the business. Although we cannot fully capture the damages incurred by businesses – since not all businesses applied for federal assistance – we can see in the SBA loan application data that close to 4,767 businesses outside of New York City applied for a loan to repair their operations, and roughly 70% of those who applied were denied, likely due to limited assets or lack of credit.

The businesses denied assistance from the SBA, located outside of New York City, are determined to have unmet needs of \$504,159,184 (including the estimated cost of mitigation). This figure represents the unmet need as outlined in the HUD-recommended methodology in the Federal Register. Additionally, the analysis includes an estimate of unmet need due to lost business operations for small businesses located in heavily impacted areas that were without power for an extended period of time, resulting in lost operations, revenue, and profit. This analysis estimates that these heavily impacted small businesses lost profit of at least \$197,599,619. While many industries were able to recoup this loss during the reconstruction period, and overall

the economy grew as part of the rebuilding process, many small businesses were negatively impacted by business interruption and physical damages, some even closing operations permanently due to this loss.^{xvii}

Infrastructure

The infrastructure needs reflected in this unmet needs assessment are significantly less than the true unmet needs. HUD's calculation of unmet needs only accounts for projects already identified and budgeted for within the FEMA Public Assistance (FEMA PA) Program and other federal Sandy-related programs. The number of projects will continually increase as more physical needs assessments are completed. The State plans to develop projects that address storm recovery-related mitigation unmet needs which make the storm impacted areas more resilient. The State also continues to assess large-scale infrastructure and recovery related mitigation project costs which may not yet have an identified resource to address them. The State estimates the true unmet need for infrastructure to exceed \$11,500,000,000.

To determine unmet infrastructure needs, this analysis first focuses on four public repair programs. The first of the four public repair programs, the FEMA PA Program, provides the basis for most of the unmet need. This program allows communities and public entities to apply for FEMA assistance to repair their roads, water treatment facilities, transit systems, utilities, public buildings and recreational spaces such as parks and playgrounds. The program requires a percentage of the costs be paid for by the applicant, which ranges from 10% to 25% depending on the program. This means FEMA will pay for 75% to 90% of the eligible costs, and the applicant is responsible for the remaining amount plus whatever cost is not eligible. The portion paid by the applicant is called the "local match" and these requirements are oftentimes overly burdensome on communities with limited resources. Therefore, the unmet needs assessment calculation associated with the FEMA PA Program is based on total estimated local match, minus insurance proceeds and other grants. The additional three programs included in the unmet needs assessment are federal initiatives specific to Superstorm Sandy - the U.S. Army Corps of Engineers (USACE) Infrastructure Resilience projects; the Federal Highway Administration (FHWA) Sandy Recovery Grants, and the Federal Transit Administration (FTA) Transit Emergency Relief projects. These programs also have match requirements that can be paid for with CDBG-DR funds.

This does not account for the full gap state agencies have reported to repair damaged transportation systems, energy infrastructure, water treatment facilities, community buildings, and other critical repairs. It also does not take full account of the hazard mitigation projects related to damaged infrastructure needed to protect recovery-related investments against future hazards. Based on information collected from state agencies, the State's estimate of unmet needs includes an additional resources to support recovery-related infrastructure projects.

The State will only fund projects that address a recovery need arising from the disaster, meet a CDBG national objective and constitute an eligible CDBG activity. Superstorm Sandy caused unforeseen damages to major infrastructure and equipment throughout the state which impacted not only state residents but the physical geography. To safeguard federal recovery dollars that are being invested in New York to repair these systems, the State, working with its transit agencies, adjacent states and federal partners plans to repair, rebuild and restore these assets to their pre-storm condition and when possible put in place mitigation actions that will make these assets more resilient to future storm events, safeguarding lives and communities in the process.

FEMA Public Assistance

The FEMA Public Assistance Program is designed to assist communities in repairing or rebuilding damaged public facilities and infrastructure after a presidentially-declared national disaster along with implementing resiliency measures to safeguard against future storm events. The program is categorized into seven project types, as follows:

- **Category A: Debris Removal** - Clearance, removal, and/or disposal of items such as trees, woody debris, sand, mud, silt, gravel, building components, wreckage, vehicles, and personal property.
- **Category B: Emergency Protective Measures** - Actions taken by Applicants before, during, and after a disaster to save lives, protect public health and safety, and prevent damage to improved public and private property.
- **Category C: Roads and Bridges** - Repair of roads, bridges, and associated features, such as shoulders, ditches, culverts, lighting, and signs.
- **Category D: Water Control Facilities** - Repair of drainage channels, pumping facilities, and some irrigation facilities. Repair of levees, dams, and flood control channels fall under Category D, but the eligibility of these facilities is restricted.
- **Category E: Buildings and Equipment** - Repair or replacement of buildings, including their contents and systems; heavy equipment; and vehicles.
- **Category F: Utilities** - Repair of water treatment and delivery systems; power generation facilities and distribution facilities; sewage collection and treatment facilities; and communications.
- **Category G: Parks, Recreational Facilities, and Other Facilities** - Repair and restoration of parks, playgrounds, pools, cemeteries, mass transit facilities, and beaches. This category also is used for any work or facility that cannot be characterized adequately by Categories A-F.

Because CDBG-DR funds are dedicated to long-term recovery, HUD assumes Category A and B projects (debris removal and emergency protective measures) have already taken place and therefore are excluded from the Unmet Needs.^{xviii} However, the cost share to cover local match can be burdensome and place financial strain on impacted communities and hinders their ability to make long-term repair.

Unmet need is calculated as the cost of damage within Categories C-G, minus other funds received (FEMA-obligated amount and insurance), plus estimated mitigation costs. In total, unmet need associated with the FEMA PA Program is estimated at \$3,376,711,517.

TABLE 18: ESTIMATED UNMET INFRASTRUCTURE NEEDS – FEMA PUBLIC ASSISTANCE PROJECTS IN MILLIONS

Damage Category	Estimated Damage	Amount Obligated	Gap	Plus Mitigation	Minus Insurance	Unmet Need
Roads and Bridges	\$576.07	\$231.82	\$344.25	\$63.19	\$0.00	\$407.43
Water Control Facilities	\$87.60	\$39.15	\$48.45	\$17.83	\$0.00	\$66.28
Public Buildings	\$1,760.09	\$176.68	\$1,583.41	\$39.23	-\$2.97	\$1,619.67
Public Utilities	\$1,134.10	\$493.99	\$640.11	\$55.39	-\$0.08	\$695.43
Recreational	\$644.02	\$68.58	\$575.44	\$12.54	-\$0.07	\$587.90
Total	\$4,201.88	\$1,010.22	\$3,191.66	\$188.17	-\$3.12	\$3,376.71

Source: FEMA Public Assistance Data effective January 27, 2014

Three areas of critical infrastructure bore the greatest impact from Hurricane Irene, Tropical Storm Lee and Superstorm Sandy - public transportation facilities, energy systems, and wastewater management.

Transportation

New York's transportation infrastructure is among the most complex and heavily used in the nation. Its airports, train stations, rail lines, road systems and tunnels drive a large percentage of the nation's economy. All forms of New York's transportation infrastructure were significantly damaged. New York's train and light rail system provides daily benefits to residents from three states who commute and work in New York City, New York State and/or use the airports to get to other national and international destinations. The rail system, located both above and below ground, tunnels and stations were among the hardest hit infrastructure components. The State is working with FEMA, DOT-FHWA and DOT-FTA to ensure the rail system and its related components are

rebuilt to pre-storm conditions at a minimum and, when possible, rebuild to make them more resilient and less likely to fail in future events.

The public transportation systems operated by the Metropolitan Transit Authority (MTA), the Port Authority of New York and New Jersey (PATH) and the Long Island Railroad (LIRR) suffered significant damage during Superstorm Sandy. This included flooding of facilities and equipment and damage to critical operating systems. Additionally, the storm illustrated how necessary it will be to mitigate against future damage by rebuilding systems in such a manner that they protect recovery investments in future events. It is estimated that the total repair and mitigation costs for public transportation in New York is estimated to be \$8,170,000,000.

The Federal Transit Administration (FTA) received \$10,900,000,000 to repair areas impacted by Superstorm Sandy and has earmarked \$5,400,000,000 to assist in rebuilding public transit systems.^{xix} Similar to the other federal programs, there is a required 10% local match requirement, which is considered unmet need for this analysis. Based on agency information as of January 29, 2014, this amounts to \$341,515,797.

TABLE 19: FEDERAL TRANSIT ADMINISTRATION EMERGENCY RELIEF PROJECTS

	Damage	Mitigation	Total Costs	Unmet Need (10% Local Cost Share)
Statewide	\$2,896,771,774	\$897,848,194	\$3,794,619,968	\$341,515,797

Source: Federal Transit Administration Emergency Relief Projects, effective January 29, 2014

The Federal Highway Administration (FHWA) administers the Emergency Relief Program to assist communities with repairing roads and bridges funded with federal aid. The Emergency Relief Program provides assistance for most public roads, except those functionally classified as rural or minor collector routes.

As the facilities are under the authority of the FHWA, they are excluded from the FEMA PA Program. As a result, FHWA is responsible for the repair of these facilities. The FHWA Emergency Relief Program also requires a local match for all projects. This program's match requirement is 20%. CDBG-DR is eligible to contribute towards this match, equivalent to \$39,681,402.

Additionally, the FTA has not yet made awards through their competitive grant program. Thus, the State includes the remaining repair, resiliency and mitigation needs of the Metropolitan Transit Authority (MTA) and Port Authority of New York New Jersey (PANYNJ) until the FTA makes its awards. If the systems are not funded through the FTA program, it will be the State's responsibility to assist in addressing unmet needs. Given the scale of the projects, the resources needed will exceed the State's current allocation of CDBG-DR funding and additional resources will need to be secured in order to meet the potential obligations.

TABLE 20: FEDERAL HIGHWAY ADMINISTRATION EMERGENCY RELIEF PROJECTS

	Obligated	Unmet Need (Local Cost Share 20%)
FHWA Emergency Relief	\$198,407,011	\$39,681,402

Source: Federal Highway Administration Emergency Relief projects, effective November 19, 2013

In keeping with the requirements of the November 25, 2013 notice, the State is required to document and assert that these entities' recovery needs have been met through working relationships with New York City and the State of New Jersey. Through conversations with PANYNJ and MTA, the State understands that the MTA and PANYNJ are committed to meeting their own cost share requirements for the Public Assistance and 406 mitigation programs. Additionally, the State is actively engaged in developing a global match funding scenario with FEMA under the HMGP program that will reduce, and potentially eliminate, the need for these applicants to make the cost share payments on this program. The State is actively working with PANYNJ and MTA to

apply for FTA competitive grant funds in order to access additional assistance for these authorities, but these grant awards have not yet been announced. The State will not know the full extent of the required funding until the awards are made. At this time, the State will work with the MTA and PANYNJ to ensure match funding needed for rebuilding is secured. If the FTA approved awards do not fund all required projects resulting in unmet needs, the State will work with these authorities to identify non-CDBG-DR funding mechanisms to address these unmet needs. Given the size and scope of damages impacting the MTA rail system which includes the Long Island Railroad and Metro North rail systems, the unmet needs are anticipated to be beyond the state's current allocation. Depending on the final amounts awarded by the FTA, New York State may not have the capacity to fund the outstanding needs with its existing resources. The State will continue to work with federal, state and city partners to ensure the recovery of all transportation needs.

Energy Systems

Superstorm Sandy also caused widespread damage to the publicly operated utility systems and revealed the vulnerability of the electric grid. To avoid future events, where at least 800,000 households were without power^{xx}, many for weeks during the cold winter months, and the repair the damage incurred, an estimated \$268,000,000 of additional funding beyond FEMA PA proceeds is needed.

Wastewater Systems

Water and wastewater treatment facilities were also significantly damaged, leading to many communities without proper sewerage systems or clean water. Damage included loss of electrical systems, and damage to pumping facilities and treatment plants due to saltwater and storm surge. Additionally, the loss of operations of these treatment facilities caused the release of millions of gallons of untreated sewage into public waters. As of January 2014, there is estimated \$747,000,000 in unmet need for water and waste water treatment.

United States Army Corps of Engineers (USACE)

HUD includes United States Army Corps of Engineers (USACE) projects for Sandy Infrastructure Resilience Coordination. These projects require large local matches, however only \$250,000 of CDBG-DR funds can be applied to the match for each project and are counted towards unmet need for infrastructure. Based on the projects listed as of January 29, 2014, there is a need for \$2,750,000 in CDBG-DR funds to be applied to the local match.

TABLE 21: ESTIMATED UNMET NEED FOR U.S. ARMY CORPS OF ENGINEERS SANDY INFRASTRUCTURE RESILIENCE PROJECTS

Project Name	County	Project Costs	Local Match	CDBG Qualified Match (Unmet Need)
Tobay Beach	Nassau	\$6,300,000	\$6,300,000	\$250,000
Overlook Beach	Suffolk	\$1,400,000	\$1,400,000	\$250,000
Fire Island Emergency Repair (two Breaches)	Suffolk	\$8,150,000	\$2,852,500	\$250,000
Fire Island Emergency Repair (old inlet Breach)	Suffolk	\$15,000,000	\$5,250,000	\$250,000
Montauk Point Lighthouse Storm Damage Reduction	Suffolk	\$18,000,000	\$6,300,000	\$250,000
South Shore Staten Island	Richmond	\$350,000,000	\$122,500,000	\$250,000

Oakwood Beach Natural Infrastructure	Richmond	\$500,000	\$500,000	\$250,000
Village of Asharoken Storm Damage Reduction	Suffolk	\$30,000,000	\$10,500,000	\$250,000
Village of Bayville Storm Damage Reduction	Nassau	\$30,000,000	\$10,500,000	\$250,000
Hashamomuck Cove Storm Damage Reduction	Suffolk	\$30,000,000	\$10,500,000	\$250,000
Lake Montauk Harbor Storm Damage Reduction	Suffolk	\$34,000,000	\$2,720,000	\$250,000
Total		\$523,350,000	\$179,322,500	\$2,750,000

Source: U.S. Army Corps of Engineers Sandy-Related Recovery Projects, effective January 29, 2014

Using the HUD calculation for unmet needs, which restricts unmet need to federally-funded projects already accounted for through FEMA, USACE, FTA and FHWA, and only counts local match requirements from USACE, FTA and FHWA as gap, the unmet needs for infrastructure is \$3,760,658,716. This does not account for the full gap state agencies have reported to repair damaged transportation systems, energy infrastructure, water treatment facilities, community buildings, and other critical repairs. It also does not take full account of the hazard mitigation projects related to damaged infrastructure needed to protect recovery-related investments against future hazards. Based on information collected from state agencies, the State's estimate of unmet needs includes an additional \$7,755,252,000 to support recovery-related infrastructure projects. Therefore, the full unmet need for infrastructure exceeds \$11,500,000,000 based on current agency information.

Mitigation Needs

Three major storm events impacted New York in 2011 and 2012, and two of those storms, Superstorm Sandy and Hurricane Irene, were the second and tenth costliest storms in U.S. history.^{xxi} Much of the damage and interruption of basic services like power and clean water could have been avoided with mitigation measures. These measures include elevating electrical systems, shoring structures, coastal restoration, relocations of repetitive flood loss properties, and flood control. The true cost of mitigation is still unknown, but HUD estimates that mitigation costs will be roughly equivalent to 30% of damage costs for homes, businesses and infrastructure with major to severe damage. These costs are reflected in the unmet needs figures, equivalent to \$2,562,010,000.

Impact and Unmet Needs Conclusion

Hurricane Irene, Tropical Storm Lee and Superstorm Sandy caused unprecedented damage to the State of New York, exposing the risks coastal and river communities face in future storm events. 157,165 housing units were damaged, 300,000 businesses impacted^{xxii}, and 43,499 public infrastructure repairs and mitigation projects are needed due these three events. The total cost to repair damages is an estimated \$15,045,010,000, and an estimated \$5,424,920,000 is not covered by other federal programs or private insurance. Additionally, an estimated \$2,562,010,000 in mitigation costs is needed to protect vulnerable areas from future storm events and ensure that public systems like power, clean water, roads and transportation are operational faster than what was experienced in 2012. This does not account for infrastructure needs not currently funded by federal programs. This figure is likely to be higher once more communities assess their needed resiliency projects. Superstorm Sandy left hundreds of thousands of households without power, sewage leaked into waterways, protected coastal barriers were washed ashore from storm surge, and businesses were shuttered for weeks due

to closed roads and subways. The CDBG-DR Program will address mitigation needs in coordination with FEMA's HMGP Program, EPA grants and other sources of funding.

In total, there is an estimated \$7,986,950,000 in eligible unmet needs to repair and mitigate damaged housing units, businesses and infrastructure, based on the HUD methodology. The State estimates at least an additional \$7,755,252,000 that will be needed for recovery-related infrastructure projects. The State estimates that this additional \$7.7 billion in unmet needs may not be eligible for CDBG-DR funding, but have been identified nonetheless by State agencies as an unmet recovery-related need. The State continues to assess these unmet needs for CDBG –DR eligibility. Therefore, the unmet need is likely above \$15,742,000,000. This excludes the housing and business needs of New York City.

TABLE 22: ESTIMATED UNMET NEEDS FOR HURRICANE IRENE, TROPICAL STORM LEE AND SUPERSTORM SANDY IN MILLIONS (EXCLUDING NEW YORK CITY)

Type	Repair Costs	Mitigation Costs	Total Costs	Minus Funding Disbursed, Available or Ineligible for CDBG-DR*	Unmet Need
Housing	\$5,185.88	\$1,350.70	\$6,536.58	\$3,012.07	\$3,524.53
Economic Development	\$754.45	\$125.29	\$879.74	\$177.98	\$701.76
Infrastructure	\$9,104.68	\$1,086.02	\$10,190.70	\$6,430.04	\$3,760.66
Total Unmet Need	\$15,045.01	\$2,562.01	\$17,607.02	\$9,620.09	\$7,986.95

Source: FEMA Individual Assistance data effective January 15, 2014, Small Business Administration Business Loan data, effective December 6, 2013, FEMA Public Assistance data effective January 27, 2014, Dun and Bradstreet business records for 2012, FEMA Hurricane Sandy Inundation Files April 23, 2013, and Federal Transit Administration, Federal Highway Administration, and U.S. Army Corps of Engineers Sandy-related projects effective January 29, 2014. *For infrastructure, unmet needs are restricted to the local match requirement for FTA, FHWA and USACE projects.

Comprehensive Risk Analysis

The State's overall response to infrastructure resilience is driven by the State's Hazard Mitigation Plan. The 2014 Hazard Mitigation Plan identifies multiple natural, technological, and human-caused hazards which have impacted, or have the potential to impact, New York State and focuses on a broad range of 15 natural hazards considered most likely to affect New York residents. To meet the requirements of the second allocation notice, the Governor's Office of Storm Recovery has enlisted the assistance of the New York State Resiliency Institute for Storms and Emergencies (NYS RISE), a newly created hub for cutting-edge research and education on preparedness and mitigation, and the New York Department of State (DOS) to develop a science-based comprehensive risk analysis to guide the State in determining which infrastructure projects to implement. When reviewing projects for their social impacts, each project will undergo a social impact assessment with a focus on identifying vulnerable populations through the State's contractual agreements with The Nelson A. Rockefeller Institute of Government and the public policy research arm of the State University of New York.

The leadership of the NYS RISE consortium and scientific team were intimately involved with developing the Intergovernmental Panel on Climate Change (IPCC) and the New York City Panel on Climate Change (NPCC) processes. At the request of the State, NYS RISE has agreed to undertake additional research activity extending the climate forecasting developed for New York City to inform the State's comprehensive risk analysis. Drawing on their experience with the NPCC efforts, NYS RISE has replicated the methodology used in the development of climate change projections for New York City under the auspices of the NPCC which are incorporated into the City's post-Sandy Special Initiative for Rebuilding and Resiliency (SIRR) report. For the State of New York, NYS RISE scientists analyzed forecasts of coastal and inland flooding from storm surge and sea level rise and severe weather events, and used advanced climate models to predict sea level rise and future storm intensity. In generating the future climate risk models and projections, the analysis considers past climate trends including temperature, precipitation, sea level rise, and extreme weather events (temperature and heat waves, extreme participation, and storm surges).

NYS RISE has developed a science-based climate forecast model that projects future changes of temperature, precipitation, and sea level rise using numerical model simulations from global general circulation models (GCMs). These simulations are obtained from the Coupled Model Intercomparison Project Version 5 (CMIP5) which were also used in the Fifth Assessment (AR5) by the Intergovernmental Panel for Climate Change (IPCC) and the New York City Panel on Climate Change. These models calculate atmospheric winds, temperature, air pressure, precipitation, atmospheric radiation, clouds, ocean currents and temperature, salinity, land surface temperature, soil moisture, and a suite of other meteorological variables. These models use the seasonal variation of solar radiation, surface topography and vegetation, emissions of greenhouse gases and aerosols as input to calculate the evolution of the global climate. Because of uncertainties inherent in complex climate modeling, NYS RISE used an ensemble of reports from multiple models participating in CMIP5 in its assessment of future climate risk. The risk assessment will include future coastal and inter-coastal flood risk maps under different scenarios of climate change, over different time periods (2020-2030, 2050-2060, and 2090-2100).

The analysis considers a broad range of information and best available data, including forward-looking analyses of risks to infrastructure sectors including climate change and other hazards. The State will use this methodology to analyze and guide the selection of infrastructure investment options that maximize risk reduction for community-based planning and State prioritized project proposals. However, when a prioritized recovery need is identified, the State may approve particular infrastructure despite the project having a lower risk reduction value.

The state has two complementary risk assessments. The first is for covered projects. The second is for projects within the NYRCR program. The underlying science is the same. The methodology is slightly different given the nature of the two processes – one an in-depth grass roots planning process; the other more project specific.

First, for most of the covered infrastructure projects that the state is currently considering funding are actually being implemented by another state agency with other federal resources. The state's CDBG-DR resources will

be used to cover the nonfederal share portion of eligible activities on these projects. As such, these projects will be analyzed through an existing risk assessment framework.

For instance, within the HMGP program, FEMA requires certain factors to determine that projects are being rebuilt more strongly in consideration of potential hazards including the following:

- A risk assessment that provides the factual basis for activities proposed in the strategy portion of the mitigation plan. Statewide risk assessment characterizes and analyzes natural hazards and risks to provide a statewide overview. This overview allows the State to compare potential losses throughout the State and to determine priorities for implementing mitigation measures under the strategy, and to prioritize jurisdictions for receiving technical and financial support in developing more detailed local risk and vulnerability assessments.
- An overview of the location of all natural hazards that can affect the State, including information on previous occurrences of hazard events, as well as the probability of future hazard events,
- Describes vulnerability in terms of the jurisdictions most threatened by the identified hazards, and most vulnerable to damage and loss associated with hazard events. State owned critical or operated facilities located in the identified hazard areas are also addressed
- An overview and analysis of potential losses to the identified vulnerable structures, based on estimates provided in local risk assessments as well as the State risk assessment, and estimates the potential dollar losses to State owned or operated buildings, infrastructure, and critical facilities located in the identified hazard areas.

In addition, for the covered infrastructure projects, NYS RISE has developed an analysis based on their NYC work that analyzes the risk factors in a geographic location at the county level. The State will use the NYS RISE maps, model, and additional analysis resulting from the State's Hazard Mitigation Plan, qualitative data and technical consultants to identify vulnerabilities of critical infrastructure, public facilities, and systems including energy, communications, transportation, water and wastewater management systems, coastal protection, and green infrastructure. In addition, NYS Rise will evaluate, and to the extent relevant, incorporate risk assessment data developed as part of the Rebuild by Design effort.

In those instances the State's CDBG-DR allocation is being used to pay the non-federal match of FEMA-funded infrastructure projects, the State will rely on the risk assessments conducted by FEMA in the analysis project eligibility for hazard mitigation resources including 404 and 406 mitigation. To address resiliency within the PA program, the State will advocate for and rely on maximizing 406 mitigation in the PA program. As provided for in the Stafford Act, FEMA allows funding additional measures to permanent work classified under Categories C-G that will enhance a facility's ability to resist similar damage in future, by making these facilities more resilient. Through the FEMA PA program these actions must ensure the proposed hazard mitigation projects do not cause a negative impact to the facility's operation, surrounding areas, or increase susceptibility to damage from another hazard.

State agencies are also utilizing recommendations from the New York State 2100 Commission Report in the evaluation of projects. The New York State 2100 Commission, appointed by Governor Cuomo after Superstorm Sandy, offered recommendations for making critical infrastructure systems more resilient. The report includes short- and long-term recommendations in the areas of energy, transportation, land use, insurance and infrastructure financing. The Governor's Office of Storm Recovery will also incorporate the risk methodologies employed by other state agencies where CDBG-DR funds will be used to implement a project.

New York State will make available to the public NYS RISE flood maps reflecting the latest information on past climate and projections of future weather events.

In addition, the NYS RISE model builds upon an existing model created by the DOS for the State's Community Reconstruction Program. The model analyzes the likelihood of storm hazard levels combined with the likelihood that an infrastructure asset will be exposed to various levels of storm hazards based on the probability of occurrence in the one-hundred year planning time frame. Through the Community Reconstruction and other programs, the State will also incorporate the risk methodologies employed by other state agencies where CDBG-DR funds will be used to help that agency implement a project. The DOS model is publicly available on the GOSR web site, and explained in guidance to planning teams (also on the website at):

http://stormrecovery.ny.gov/sites/default/files/documents/Guidance_for_Community_Reconstruction_Plans.pdf

Community plans reflecting the application of the model are posted for public review and illustrate the application of the model in a wide range of project and program settings.

The exposure score will be calculated by using location-specific information of an infrastructure asset and the likelihood that it will be impacted when a hazard type occurs. Factors affecting exposure include elevation, soil types, vegetation, drainage, and engineering design. These factors will be obtained from information systems such as building design standards and the ArcGIS in the Sea Level Rise Tool for Sandy Recovery. When a project is spread across multiple locations, the infrastructure at each location will be calculated separately and aggregated.

The final output of the risk model will contain the following information for each project: numerical risk scores of hazards, exposure, and impact; individual risk categories along with probability range calculations; and aggregated risk scores along with uncertainties noted.

To the extent feasible and practical, the risk model will provide a numerical risk score for each of the five risk classes: public health; public safety; economic impacts; social impacts; and environmental impacts. The risk score classes can be aggregated to yield a total score for a project based on the results of the analysis within the different risk classes.

The State will consider the risk reduction ratio in making investment decisions. In some cases, the risk reduction method will not fully capture the importance of a project to particular communities. Projects determined to be critical community assets through the NYRCR or state priorities will be categorized separately and evaluated using relevant information from community planning processes, state and local agency data/information and public sources.

HUD also suggests that grantees should consider the costs and benefits of alternative investment strategies. To the extent practicable, New York State will develop a cost-benefit analysis for each project based on the benefit normalized to the investment cost. The benefit will be calculated from the anticipated reduction of risk in the different benefit classes: economic, social, environmental, public health and safety assets. An aggregated cost-benefit score can be derived when needed by assigning numerical values to each class.

Overview of Method of Distribution and Allocation of Funds

Following consultation with local governments, the State has opted to implement most programs directly in accordance with a waiver of 42 U.S.C.5306, which requires states under the regular CDBG program to grant funds to units of local governments. In one instance, however, the State has a direct grant to Rockland County as the implementation partner for that county's housing recovery. In some cases, the State may also work directly with local governments and nonprofits in the implementation of its programs.

Details of the method of distribution of funds are further described within each specific program area including eligibility, how to apply, use of funds, the time frame for funding and the terms of assistance.

The method of distribution is subject to change to ensure an efficient and timely distribution and expenditure of funds. Any such changes will be subject to the terms of HUD's Action Plan Amendment process as detailed in the most recent Federal Notice (FR 5696-N-06).

Proposed Allocation of Funds

Program	First Allocation (as approved by HUD)	Proposed First Allocation Amendment	Proposed First Allocation (as amended)	Second Allocation	Total
	\$ 1,713,960,000	\$ -	\$ 1,713,960,000	\$ 2,097,000,000	\$ 3,810,960,000
Housing	\$ 838,000,000	\$ -	\$ 838,000,000	\$ 1,121,019,206	\$ 1,959,019,206
<i>New York Rising Housing Program</i>	\$ 632,000,000	\$ (11,000,000)	\$ 621,000,000	\$ 435,311,524	\$ 1,056,311,524
<i>Interim Mortgage and Housing Assistance Program</i>	\$ 20,000,000	\$ (3,000,000)	\$ 17,000,000	\$ 32,000,000	\$ 49,000,000
<i>New York Rising Buyout Program</i>	\$ 156,000,000	\$ (56,000,000)	\$ 100,000,000	\$ 521,207,682	\$ 621,207,682
<i>New York Rising Rental Buildings Recovery Program</i>	\$ 30,000,000	\$ 70,000,000	\$ 100,000,000	\$ 125,000,000	\$ 225,000,000
<i>Sandy Housing Assistance Relief Program (SHARP)</i>	\$ -	\$ -	\$ -	\$ 7,500,000	\$ 7,500,000
Community Reconstruction Program	\$ 25,000,000	\$ 198,500,000	\$ 223,500,000	\$ 441,010,794	\$ 664,510,794
<i>New York Rising Community Reconstruction</i>	\$ 25,000,000	\$ 198,500,000	\$ 223,500,000	\$ 441,010,794	\$ 664,510,794
Economic Development	\$ 415,000,000	\$ (198,500,000)	\$ 216,500,000	\$ -	\$ 216,500,000
<i>Small Business Grants and Loans</i>	\$ 332,000,000	\$ (173,500,000)	\$ 158,500,000	\$ -	\$ 158,500,000
<i>Seasonal Tourism Industry</i>	\$ 30,000,000	\$ (15,000,000)	\$ 15,000,000	\$ -	\$ 15,000,000
<i>Coastal Fishing Industry</i>	\$ 20,000,000	\$ (10,000,000)	\$ 10,000,000	\$ -	\$ 10,000,000
<i>Business Mentoring Program</i>	\$ 3,000,000		\$ 3,000,000		\$ 3,000,000
<i>Tourism and Marketing</i>	\$ 30,000,000		\$ 30,000,000	\$ -	\$ 30,000,000
Infrastructure and Match	\$ 350,000,000		\$ 350,000,000	\$ 430,120,000	\$ 780,120,000
<i>Local Government and Critical Infrastructure Program</i>	\$ 47,300,000		\$ 128,480,000	\$ 126,120,000	\$ 254,600,000
<i>Resiliency Institute</i>	\$ 2,700,000		\$ 2,700,000	\$ -	\$ 2,700,000
<i>Non-federal Share Match Program</i>	\$ 300,000,000		\$ 218,820,000	\$ 304,000,000	\$ 522,820,000
Administration & Planning	\$ 85,960,000		\$ 85,960,000	\$ 104,850,000	\$ 190,810,000

Note: The Tourism Marketing program is allocated at \$30,000,000 as approved by HUD in the April 19, 2013, waiver. As part of delivering the Small Business Grant and Loan program, the State has dedicated funds to both promote the program to businesses and to develop a Business Mentoring program to further supporting small businesses in rebounding from the disaster events.

Proposed Use of Funds

This section details the programs that are currently in place as well as new programs being implemented by the Governor's Office of Storm Recovery. Based on the State's revised unmet needs analysis for housing, economic development and infrastructure, programs and budgets have been adjusted herein based on the continuing recovery and rebuilding needs of communities. The State recognizes that there still will be additional unmet needs that are not fully addressed with this allocation. Overall, the Homeowner Programs which include the Owner-Occupied, Interim Mortgage Assistance and Buyout/Acquisition represent 85% of unmet needs and 88% of the allocation. Additionally, all rental programs represent 15% of the overall unmet needs and 12% of this allocation is dedicated to these programs. Therefore, unmet needs and program implementation will continue to be assessed as programs are implemented. The State is committed to both homeowners and renters and will work diligently in both programs address the needs of the community as they recover. The State will make adjustments as needed in further action plan amendments, as programs are implemented to ensure that to the extent feasible unmet needs of these communities are addressed.

Below is a breakdown of the percentage of funds allocated to each type of activity. While the State continues to have significant outstanding unmet needs, its current resources are allocated to address the priorities of the State's communities in repairing and hardening storm-damaged residential units, creating additional affordable housing, restarting businesses and rebuilding critical infrastructure throughout the state.

TABLE 23: PERCENTAGE OF FUNDS ALLOCATED BY ACTIVITY

	Unmet Need	Percent of Unmet Need	Allocation	Percent of Allocation
Housing (Homeowner and Rental)	\$3,524.53	44%	\$1,959,019,206	54%
Homeowner Programs (Owner-Occupied, IMA, Buyout)	\$2,994.81	85%	\$1,726,519,206	88%
Rental and Rental Assistance	\$529.72	15%	\$232,500,000	12%
Economic Development	\$701.76	9%	\$216,500,000	6%
Infrastructure and Community Reconstruction	\$3,760.66	47%	\$1,444,360,794	38%
Total	\$7,986.95		\$3,619,880,000	

Note: The total above does not include Administration of \$190,810,000. For the purpose of this analysis, the Community Reconstruction Program is included with the Infrastructure program since there is not a specific unmet needs analysis for the Community Reconstruction Program.

Housing

The housing programs were outlined in the initial Action Plan. This Action Plan Amendment makes some procedural and technical modifications to the housing programs to better reflect current implementation and policy updates.

The State initially allocated \$838,000,000 to a slate of housing recovery programs including homeowner reimbursement and rebuilding, rental rehabilitation and homeowner acquisitions and buyouts. Based on the unmet needs analysis, this amendment increases the State's total allocation to support the housing programs already under way.

New York State, through its contractors, is directly administering the housing programs for all impacted counties with the exception of Rockland County. Rockland County, as a subrecipient, supports program delivery by providing intake services to homeowners and owners of rental property.

In adherence to HUD's guidelines, the State will ensure that all reconstruction or repair of substantially damaged buildings must incorporate Green Building Standards for replacement and new construction of residential housing. Further, non-substantially damaged buildings must follow guidelines in the HUD Green Building Retrofit Checklist to the extent feasible.

In addition, all of its housing programs include an opportunity to rebuild in a more resilient manner through elevation and/or mitigation efforts where appropriate.

The State is committed to assisting the unmet needs of the Public Housing Authorities. As outlined in the unmet needs section of this amendment, the State along with the PHAs and FEMA are still in the process of assessing their unmet needs. As these needs are identified, the state has committed up to \$10 million dollars as outlined in the first action plan to assist these authorities. The State has identified areas in the Multi Family/Affordable Housing Fund; the State Housing Assistance Relief Program; the Community Reconstruction Program and the Non Federal Share Match Program under the infrastructure program which are available to address these needs.

New York Rising Housing Recovery Program

This program was approved in the State's initial Action Plan. The following documents programmatic changes being requested through this Amendment. This Amendment will serve to increase the amount of funding available to the program as well as provide additional clarity on the previously approved program.

Activity Type: Repair/replacement of residential owner-occupied structures

National Objective: Low and Moderate Income or Urgent Need

Geographic Eligibility: Disaster-declared counties outside of New York City

Eligible Activity: Sec. 105 (a) (4) (8) 42 U.S.C. 5305(a)(4)

Eligible Applicants:

This program is available to owners of one- and two-unit owner-occupied homes located outside of New York City with damage from any of the three named storms. These properties must be the owner's primary residence as defined by New York State including Condominiums, Co-Ops and Garden Apartments.

Use of Funds:

The New York Rising Housing Recovery Program includes the following components:

- **Reimbursement:** The program provides reimbursement for eligible costs incurred by homeowners for the repair of their home.
- **Repair:** The program pays for approved and eligible costs as the home is repaired.
- **Reconstruction:** When a home is substantially damaged, the program will pay for the eligible costs of reconstruction of the home.

The program covers costs for the repair or replacement of damage to real property (including mold remediation); replacement of disaster-impacted non-luxury residential appliances; and environmental health hazard mitigation costs related to the repair of disaster-impacted property. As outlined in the initial Action Plan, elevation is required for properties located in the 100-year floodplain and whose homes are substantially damaged. For homeowners not required to elevate, but interested in this protective measure, the program has implemented an optional elevation component within the program. In addition, the program will also offer optional mitigation measures which includes, but is not limited to, the following:

- Elevation of electrical systems and components,
- Securing of fuel tanks,
- Use of flood resistant building materials below base flood elevation (retrofits to be limited in scope to be cost effective),
- Installation of flood vents,
- Installation of backflow valves, and
- Installation of roof strapping.

Maximum Award:

Following the analysis of the needs of the affected communities and the availability of funding, the program has set the following cap amounts and allowances:

- **Base Cap:** The base cap amount for single-family repair and/or reconstruction coverage is \$300,000.
- **Low and Moderate Income Allowance:** Homeowners who are identified to be low or moderate income (total household income is less than or equal to 80 percent of area median income) will qualify for an increase of \$50,000 in the cap amount. (\$300,000 Base + \$50,000 LMI = \$350,000 base cap).
- **Elevation Allowance:** Homeowners with damaged properties within the 100-year floodplain are eligible for up to a \$50,000 increase in the base cap amount for elevation.
- **Optional Mitigation Measures:** Homeowners will be eligible for optional mitigation measures of up to \$30,000 within the applicant's cap.

Eligibility Criteria:

- Homes must be the primary residence of the applicant.
- Applicant must have owned the home prior to the disaster event.
- Each applicant will go through the verification of benefits process and assistance shall be for unmet repair needs after accounting for all Federal, State, local and/or private sources of disaster-related assistance, including, but not limited to, homeowners and/or flood insurance proceeds per the Stafford Act.

- Household income will be required for reporting purposes, even for those households assisted under the national objective of urgent need.

Program changes and clarifications:

- In implementation, the New York Rising Housing Program combines the previously named Recreate New York Smart Home Repair and Reconstruction Program and the New York Smart Home Resilience Program into one program.
- The program is delivered on a first come, first serve basis. However, the State is committed to providing any additional assistance needed for processing applications of all homeowners including LMI, those with a disability, elderly households, households currently enrolled in DHAP and those with limited English proficiency.
- The State has initiated a robust final inspection process which will ensure homes are completed to program standards, and therefore are not requiring homeowners to own their home after the rehabilitation is complete. All of the requirements are outlined in the program's grant agreement which is executed by all owners.

As part of administering this program, the State will provide funding assistance to service providers whose resources are needed to recover housing. Municipalities are being given funding to expand code enforcement capacity to expedite rebuilding activities. Additionally, the State is funding legal services for low and moderate income applicants to assist homeowners in overcoming legal obstacles to receiving necessary assistance to recover from losses incurred from the disasters.

Municipal Support Program

Eligible Activity: Public services 105(a)(8)

Budget: \$6,000,000 (as part of the Home Repair and Reconstruction Program)

With the majority of the applicants to the New York State Rising Housing Recovery Program concentrated in specific counties, the State anticipates that municipalities within these counties will have to bear costs that are directly tied to the rebuilding effort. The State believes local municipalities will require substantial assistance in their permitting offices in order to process and produce an increased number of inspections and permits. Therefore, New York State has developed a program as part of the Homeowner Program to provide grant funds to municipalities in damaged counties to reimburse them for costs including but not limited to salaries, permitting and inspections as they relate to applicable storm-damaged homes. The State has allocated funding to support the municipalities to help eliminate any impediments at a permitting level to ensure homeowners are in compliance with the program.

Legal Services

Eligible Activity: Public services 105(a)(8)

Budget: \$4,500,000 (as part of the Home Repair and Reconstruction Program)

The State has engaged in subrecipient agreements with both Hofstra University and New York Legal Assistance Group (NYLAG) to provide pro bono legal services to families in Nassau, Suffolk and other areas outside of New York City affected by the disasters. The provision of legal services are being provided to potential applicants of the housing programs that are residents impacted by Superstorm Sandy in order to eliminate barriers to their entry into the State's housing programs and to their rebuilding efforts. Both agencies will place particular emphasis on outreach to immigrant communities, low-income communities and other vulnerable populations. The NYLAG Storm Response Unit staff speaks sixteen languages and has the ability to arrange for translators for additional languages if needed. This funding allows Funding allowed these entities to provide legal aid to homeowners navigating insurance claims processes, avoid fraud schemes, and make decisions regarding constructions contracts. The NYLAG Storm Response Unit currently has intake clinics in Long Island

to meet with clients out in the field. They send staff to storm-related public outreach events as they occur. This includes including staffing the Disaster Recovery Fairs hosted by Nassau County in the effort to raise awareness of the New York Rising program and facilitate enrollment.

Interim Mortgage Assistance Program (IMA)

Activity Type: Homeowner assistance

National Objective: Low and Moderate Income or Urgent Need

Geographic Eligibility: Disaster-declared counties outside of New York City

Eligible Activity: Sec. 105 (a) (8) 42 U.S.C. 5305(a)(8), as amended **FR-5696-N-01 (VI) (B) (30)**

Program Description:

Because of damage from Hurricane Irene, Tropical Storm Lee and Superstorm Sandy, a substantial number of households have been and are currently unable to inhabit their primary residences. Many of these displaced families are struggling to pay a mortgage on the still damaged home while paying for interim housing costs. Homeowners continue to bear this financial burden.

In November 2013, HUD approved Action Plan Amendment No. 4 to allow the State to develop the Interim Mortgage Assistance program. Based upon analysis of current applicants, it is anticipated that approximately 4,000 households have been or will be both displaced and forced to pay the costs of their primary mortgage, or an equivalent housing cost such as property taxes, and simultaneously pay the costs for their temporary living residences. These homeowners have been living with an increased burden of the costs of daily life and their own recovery efforts. Many of these homeowners have already expended all of their FEMA resources, exhausted available mortgage forbearance and utilized whatever rental assistance was provided by their insurance companies. New York State wants to prevent families from going into default on their mortgage payments while they continue to rebuild. New York State has developed this program to help cover the short-term mortgage costs or equivalent housing costs so that homeowners do not lose their homes as a result of the storms.

This Action Plan Amendment modifies the program to include the following changes:

- The award was previously based on a formula that calculates the lesser of the monthly mortgage or the additional temporary housing payment.
- The award will now be calculated based the monthly mortgage amount of their primary residence damaged by the storm and proof of an additional housing payment (rental payment receipt or hotel receipt) for that month.
- All other provisions of Action Plan Amendment No. 4 remain the same

The rationale for changing the calculation of the payments is to assist homeowners to avoid foreclosure while rebuilding their homes.

New York Rising Buyout Program

This program was approved in the State's initial Action Plan and is currently operational. This amendment provides clarity on the program description and increases the budget to meet demand for the program.

Activity Type: Voluntary Buyout or Acquisition of one- and two-unit homes

National Objective: Low and Moderate Income, Slum and Blight or Urgent Need

Geographic Eligibility: All applicants' damaged property must have been their primary residence at the time of the storms and must be located in one of the damaged-declared counties. Additionally, the program may acquire vacant land within targeted areas. New York City's boroughs are included as eligible counties for the purposes of the Buyout program.

Eligible Activity: Sec. 105 (a) (1) (2) (4) (11) (24) 42 U.S.C. 5305(a) (1) (2) (4) (11) **FR-5696-N-01 (VI) (B) (31)**

Program Description:

In accordance with the notice governing the use of these funds, properties purchased as a "buyout" will be maintained in perpetuity as coastal buffer zones, while properties purchased as "acquisitions" will be eligible for redevelopment in the future in a resilient manner to protect future occupants of this property. The post-purchase fate of most acquired properties will be determined by the State, in consultation with local officials, to ensure these properties best serve the future goals of the community. In some cases, the properties will remain undeveloped and be transformed into parks or other non-residential uses, while in most cases they will be redeveloped in a resilient manner. The final disposition plan will be further detailed by the State in the acquisition program guidelines, but disposition may include: the sale of property through a fair market value and competitive process; the conversion of the property into public green space; and/or the donation of property to an eligible recipient to carry out eligible activities.

The State will use the 2013 FHA loan limits as the ceiling for the purchase price for properties that participate in this program.

Buyouts

The New York Rising Buyout Program will include the purchase of eligible storm-impacted and substantially damaged properties inside the floodplain in storm-impacted areas. Substantially damaged is defined as damage equaling 50% of the pre-storm fair market value (FMV) of the property.

Certain highest risk areas in floodplains, determined to be among the most susceptible to future disasters and therefore, present a greater risk to people and property, will be identified by the State and its local partners as enhanced buyout areas (see below). The State will conduct purchases inside of the enhanced buyout areas as "buyouts," as defined by HUD, whereby they will be eligible for purchase starting at 100% of the property's pre-storm FMV, plus available incentive(s) as outlined below.

Enhanced Buyout Areas

Enhanced Buyouts in select pre-defined targeted buyout areas, which will be determined by the program will include an incentive(s) ranging from 5%-15% on top of the pre-storm FMV of property acquired through the buyout program. Reconstruction may not occur on lots in these areas. Lots will be maintained as coastal buffer zones or other non-residential/commercial uses. This program may also include acquisition of vacant or undeveloped land in these targeted areas.

Incentives

5% -Relocation Incentive: The State will provide this incentive to residents who participate in a buyout inside an enhanced buyout area if they permanently relocate and provide evidence of the purchase a new primary residence within the same county in which their storm-damaged property is located. Residents of New York City will be eligible for this incentive if they permanently relocate and purchase a new primary residence anywhere within the five boroughs of the City. The rationale for such an incentive is to protect and preserve the community while, at the same time, facilitating the reclamation of land in high risk areas for natural protection against future damage.

In the event a homeowner who has received CDBR-DR funds for a buyout locates a residence outside the same county in which their storm-damaged property is located, but is within the state of New York, , that homeowner can file a hardship request to still receive the 5% relocation incentive. The state recognizes that the impact of the storm on some families has caused them to relocate based on extenuating circumstances not allowing them not to return to their pre storm county. The hardship will request that they receive the 5% relocation payment even in if the homeowner purchase the new home outside the county of origin. As noted in this section for the 5 boroughs of NYC relocation is eligible within all 5 boroughs, and all areas outside of NYC the relocation is limited to the county of origin.

The homeowners must submit as statement outlining the challenge for relocating within their county of origin. They must also sign a Declaration of Hardship form that documents the submission of a statement of hardship. All Declaration of Hardship Forms will be reviewed and approved by program staff on a case by case basis.

10% Enhanced Buyout Incentive: In an effort to relocate homeowners out of the high risk enhanced buyout areas—to protect as many as possible from future disasters—the State will seek the maximum level of homeowner participation by offering this individual incentive so that as much land as possible within these areas can be returned to and reclaimed by nature. This level of incentive was selected in order to ensure that a sufficient incentive is available, as the number of properties involved will need to be significant in these areas to produce the intended outcome.

10% Group Buyout Incentive: In the rare areas in which the purchase of a group of properties together makes sense in order to re-purpose that area, the State believes that graduated incentives are an essential component to induce homeowners to sell their properties. Outside of the enhanced buyout areas, the State may, in rare circumstances, provide a 10% Group Buyout Incentive to certain very limited clusters of homeowners (i.e., two to ten consecutively located properties) whose properties are located inside the floodplain but not inside an identified enhanced buyout area. This incentive may be necessary in certain rare cases to facilitate the reclamation of a concentrated area of high risk properties and to avoid the patchwork effect of purchasing all but one or two properties inside such a cluster of properties.

Assistance shall be for property purchased after accounting for all federal, state, local and/or private sources of disaster-related assistance, including, but not limited to, homeowners and/or flood insurance proceeds.

Acquisitions

The State intends to conduct most purchases outside of the enhanced buyout areas as “acquisitions,” as defined by HUD, whereby purchase offers must begin with the post-storm fair market value of the property. The Acquisition Program will include the purchase of eligible substantially damaged properties inside the 100 to 500-year floodplain in storm-impacted areas. For many homeowners there is a concern about being able to afford the costs of relocation to another equivalent housing situation which makes them reluctant to move out of harm’s way. Such assistance is necessary to enable homeowners inside flood-prone areas who have sustained damage to their primary residence and are otherwise unable or unwilling to repair their home, to relocate to a safer, less flood-prone area within the county. Furthermore, this assistance recognizes the uncertainty of post-storm values of storm-damaged homes, relative to the high costs

associated with relocation, therefore affording homeowners the maximum amount of assistance necessary to make this life-altering change.

In the current program, as approved in the initial Action Plan and Action Plan Amendment No. 3, the program provided for a relocation incentive to homeowners in the Acquisition Program that covered the difference between pre- and post-storm value. Under APA No. 6, the State will no longer provide the relocation incentive. In order to address the homeowners needs for relocation, the program will now provide homeownership assistance to ensure that homeowners can relocate into an equivalent circumstance.

For existing transactions where a contractual offer has been made under the Acquisition Program approved by HUD in Action Plan Amendment No. 3, the State will continue to follow this process. However, once APA No. 6 is approved and codified in an updated grant agreement from HUD, the State will take the necessary steps to transition to the changes in the program outlined below. All transactions moving forward will follow that process.

Homeownership assistance may include but is not limited to:

- Subsidized interest rates and mortgage principal amounts, including making a grant to reduce the effective interest rate on the amount needed by the purchaser to an affordable level. (The funds granted would have to be applied towards the purchase price.)
- Finance the cost of acquiring property already occupied by the household at terms needed to make the purchase affordable.
- Pay all or part of the premium (on behalf of the purchaser) for mortgage insurance required up-front by a private mortgagee. (This would include the cost for private mortgage insurance.)
- Pay any or all of the reasonable closing costs associated with the home purchase on behalf of the purchaser.
- Pay up to 100% of the down payment required by the mortgagee for the purchase on behalf of the purchaser.
- Additional relocation expenses such as moving or storage costs
- The state will also explore other options of assistance such as mortgage guarantees

All customary costs associated with the acquisition of private property, including appraisal, legal, survey, title preparation and insurance, may be paid using this source of funds.

Demolition costs may also be paid using this source of funds.

Site work and property maintenance costs, including environmental remediation, grading and security, may also be paid using this source of funds.

Households earning less than 80% of the area median income will be prioritized in the order of processing applications for assistance.

New York Rising Rental Buildings Recovery Program

The State has re-categorized the rental housing programs outlined in its original Action Plan to simplify implementation. These programs will continue to effectively provide the same type of assistance to the same categories of rental properties and populations as originally proposed in the initial Action Plan. This amendment expands the scope of available assistance and increases the budget for the Rental Buildings Recovery Program.

Based on the public comments, as well as further review of the unmet needs analysis, received during the public comment period, the state has altered the rental housing budget to increase the New York Rising Rental Buildings Program by \$25,000,000 to provide for the repair, development and mitigation of rental units within the impacted areas. While the state estimates there are still outstanding needs for affordable rental within the impacted communities, within the Multi-Family/Affordable Housing Fund, it is envisioned that the allocation of CDBG-DR funds dedicated to rental will be leveraged both by tax-exempt private activity bonds (PAB) and), 4% low income housing tax credits, 9% tax credits, and private financing.

Activity Type: Rental Rehabilitation/Reconstruction

National Objective: Low and Moderate Income, Urgent Need, or Slum and Blight

Geographic Eligibility: Disaster-declared counties outside of New York City

Eligible Activity: Sec. 105 (a) (1) (4) 42 U.S.C. 5305(a)(4) New Construction: FR-5696-N-01(VI)(B)(28)

Program Description:

The New York State Rental Housing Recovery Initiatives are now broken into two major Programs.

- The Small Rental Properties Program, is designed to assist storm-damaged Small Rental Properties. It contains two program components: *The 1-4 Unit Rental Housing Recovery Program* and *the 5-7 Unit Rental Housing Recovery Program*.
- The Multi-Family/Affordable Housing Program is designed to assist larger rental housing properties, i.e. those with 8 or more units. This Program will support both the preservation (i.e. rehabilitation/mitigation) of governmentally assisted affordable housing developments that were damaged by one of the three covered storms, as well as the production of new affordable housing developments designed to help replace the rental units lost through the storms.

The initial Action Plan provided for rehabilitation/reconstruction and mitigation assistance for one- to two- unit rental properties through the New York Rising Housing Program serving homeowners. Owner-occupied properties with two-units (those with one homeowner unit and one rental unit) will continue to be assisted through the homeowner program. However, single-family rental properties and two-family rental properties will now be addressed within a component of the rental program specifically designed to assist small rental properties with between one and four units. At the same time, the original Small Multi-Family Repair and Reconstruction Program and the Small Multi-Family Mitigation Program were both designed to assist three- to seven-unit properties, have now been broken into two separate components as follows: properties with five- to seven-units will be served through a new 5-7 unit program component while properties with 3 to 4 units will be served along with 1-2 unit rental properties through the 1-4 Unit Rental Housing Recovery Program mentioned above.

In addition, the State has determined that it is more efficient and cost effective to provide assistance for Rehabilitation/Reconstruction and assistance for Mitigation in a coordinated fashion through the same program component rather than through separate initiatives as originally outlined. Consequently, the newly formed 1-4

Unit Rental Recovery Program and 5-7 Unit Rental Recovery Program will provide owners with assistance for both repair/reconstruction and elevation/mitigation.

The original Action Plan also outlined a program to assist larger multi-family rental properties, i.e. those with 8 or more units. This program was designed to support the mitigation and rehabilitation of storm-damaged projects that primarily serve low- and moderate-income tenants. The State will now be addressing the category of large multi-family properties more comprehensively through its Multi-Family Affordable Housing Program, which will support both the preservation of existing multi-family affordable properties as originally conceived, and the production of new affordable housing units in areas that lost significant numbers of rental housing units due to one of the three named storms.

In keeping with HUD guidance in the March 5, 2013, Federal Register, all assisted projects will adhere to the applicable Green Building Standards for reconstruction and rehabilitation.

Detailed Description of the State's Current Rental Housing Initiatives

The Small Rental Properties Program: This has two program components: The 1-4 Unit Rental Housing Recovery Program and the 5-7 Unit Rental Housing Recovery Program.

The 1-4 Unit and the 5-7 Unit Rental Housing Recovery Programs are designed to restore small residential rental properties that were damaged by one of the three named storms. These programs will be available to owners of damaged small residential rental properties located outside of New York City. While they are designed to serve different size properties, these two initiatives will utilize similar program structures and policies. Both programs will operate under the following guidelines:

- The program will cover costs for reimbursement of eligible repair/replacement costs; the repair/replacement of damaged real property; replacement of disaster-impacted non-luxury residential appliances; and environmental health hazard mitigation costs related to the repair of disaster-impacted property.
- The programs will also cover costs (including elevation) to mitigate future damage for those properties that are located within a 100-year floodplain.
- Assistance will be for unmet repair/reconstruction and elevation/mitigation needs after accounting for all federal, state, local and/or private sources of disaster-related assistance, including, but not limited to, SBA awards, property owners' and/or flood insurance proceeds.
- Assistance for repair and elevation funding will be capped at the lesser of a specified dollar amount to be determined by New York State, or the actual unmet repair, and elevation need as described above. To direct sufficient levels of assistance to those most in need, a higher overall dollar cap amount may be applied to those households owned by low or moderate- income households and/or those properties serving LMI renter households, where the need is justified.
- Household income will be required for all tenants in affordable units for reporting purposes even for those projects assisted under the national objective of urgent need.
- Priority will be given to owners of buildings where a minimum of 51% of the units are occupied by or will be occupied by low- and moderate-income persons.

The Multi-Family/Affordable Housing Program: This program will support both the preservation of governmentally-assisted affordable housing developments that were damaged by Hurricane Irene, Tropical Storm Lee or Superstorm Sandy, as well as the development of new affordable housing to address the rental housing shortage created by the storms and help revitalize hard hit communities. Assistance will be limited to projects located in storm damaged counties outside of New York City.

Preservation assistance will be targeted to those storm damaged projects that serve low and moderate income residents, including special needs and other vulnerable populations. Pursuant to HUD's directive outlined in HUD's November 25, 2013, Federal Notice, preservation assistance through the fund will focus on

rehabilitating and retrofitting those governmentally assisted housing projects that have continuing and pressing unmet needs. In keeping with HUD's directive, assistance will be targeted to public housing and other affordable housing developments assisted through government programs (including public housing, Low Income Housing Tax Credit, Section 8, McKinney Homeless Housing, and New York State's own affordable housing programs) where future affordability is assured through long-term contracts. As the State outlined in introduction to this housing section, when needs are identified by Public Housing Authorities, the Multi-Family/Affordable Housing Program will be one of the tools used to meet the up to \$10 million dollars commitment made in the first action plan.

Preservation assistance offered through the Multi-Family/Affordable Housing Fund will operate under the following guidelines:

- It will support reimbursement of eligible repair/replacement costs; the repair/replacement of damaged rental properties with eight or more units; replace disaster-impacted non-luxury residential appliances; and cover environmental health hazard mitigation costs related to the repair of disaster-impacted property.
- When practical and warranted, it will also cover the cost of mitigating future damage (including elevation when practicable and cost effective) for properties located within a 100-year floodplain. Assistance shall be for "unmet" rehabilitation and mitigation needs after accounting for all federal, state, local and/or private sources of disaster-related assistance, including, but not limited to, property owners' and/or flood insurance proceeds.
- Assistance for rehabilitation and mitigation activities will be capped at the lesser of a specified dollar amount to be determined by New York State, or the unmet repair, rehabilitation and mitigation need as described above.
- To direct sufficient levels of assistance to those most in need, especially low to moderate income and minority households, a higher overall dollar cap amount may be applied to those properties that serve special needs or other hard to house groups or provide a significant number of units designated for LMI households.

In addition to supporting the preservation of existing developments, the Multi-Family/Affordable Housing Program will offer assistance for the development of selected affordable housing projects that will help to alleviate the shortage of affordable housing that was created or exacerbated by the loss of rental units through one of the three named storms, and support the overall recovery in areas that were impacted by the storms. CDBG-DR assistance provided through the Program will generally be limited to assisting affordable housing units. However, mixed income developments will be eligible for assistance if developers are able to leverage other funding to support the non-LMI units.

The State recognizes that in some instances hard hit communities and the tenants of New York State may be best served through the development of new, more sustainable units designed to replace some of the lost rental units that were either located in unsuitable sites or were antiquated in their design. This initiative will work to create new rental housing units through a variety of means, including the substantial rehabilitation of uninhabitable rental properties and the conversion of non-residential structures as well as new construction. The program may also "produce" new rental units through the rehabilitation of partially occupied properties that have a significant number of vacant, uninhabitable units.

Assistance will be awarded through a process that is outlined in the Multi-Family/Affordable Housing Program policies and procedures. This process will consider, among other things, the following factors:

- Potential impact on addressing affordable rental housing shortages created or exacerbated by the storms.

- Extent to which the project serves the homeless or near homeless, special needs populations, and other vulnerable groups that are traditionally hard to house.
- Extent to which the project delivers dwellings that are stronger, safer, and more disaster resilient.
- Extent to which the project meets other design criteria established by the State.

The Multi-Family/Affordable Housing Development Initiative will operate under the following guidelines:

- It will support the costs of developing rental housing units including the construction, reconstruction, or rehabilitation of quality rental units in multi-family developments of eight or more units (projects involving eight or more small buildings on a single property are eligible).
- When practical and warranted, it will also cover costs (including elevation) to mitigate future damage for properties that are being rehabilitated. (Note: elevation of the structure and application of storm hardening features are considered part of the cost of construction for new construction and are consequently eligible expenses).
- All projects will be subject to the duplication of benefits (DOB) provisions of the Stafford Act. Consequently, to the extent that the program does select a project that sustained damage through one of the covered storms and did receive other forms of assistance as a result, the State may not duplicate any earlier assistance received by the owner.
- Development assistance will be capped at the lesser of a specified dollar amount to be determined by New York State, or the development funding gap. To direct sufficient levels of assistance to those most in need, especially low to moderate income and minority households, a higher overall dollar cap amount may be applied to those properties that serve special needs or other hard to house groups or provide a significant number of units designated for LMI households.

Sandy Housing Assistance Relief Program

This new program will address unmet needs for vulnerable populations impacted by the disasters.

Activity Type: Rental Assistance and rental housing rehabilitation

National Objective: Low and Moderate Income

Location Description: Disaster-declared counties outside of New York City

Program Description:

The impact of Hurricane Irene, Tropical Storm Lee and Superstorm Sandy on the most vulnerable populations cannot be overlooked. Many households, especially rental households, that evacuated or whose homes were damaged by the storms were near the edge of sustainability prior to the storms. Therefore, the Governor's Office of Storm Recovery is committed to assisting vulnerable populations by providing renters with opportunities for rental assistance and assistance covering utility payments or by investing in the repair and resilience of public housing units damaged during the storms. This program will not duplicate other sources of rental assistance.

Eligible Activities:

CDBG-DR funds under SHARP include but are not limited to the following:

- Rent/utility payments, deposits and arrears, moving and storage expenses, and emergency hotel housing, as necessary.

- Assistance to public housing units for damage repairs as a result of the storms
- Additional CDBG-DR eligible assistance as needed to those entities and service providers who assist vulnerable populations.

Eligible Applicants:

The eligible applicants for the CDBG-DR programs will be homeless or at-risk individuals and families whose household income is 80% or less of Area Median Income (AMI), who were: displaced by Hurricane Irene, Tropical Storm Lee and Superstorm Sandy and are at risk of homelessness. For the purposes of rental assistance provided under this program, homeless is defined as a household which is unable to secure permanent and stable housing without special assistance. In addition, Public Housing Authorities and landlords who own affordable housing units are also eligible for this program. Additional information on the eligible applicants and criteria will be available in future Action Plan Amendments and program guidelines.

New York Rising Economic Development and Revitalization

The State's Economic Development programs were approved in the State's initial Action Plan and are currently operational. This Amendment adds an eligible activity, Economic Revitalization and reallocates a portion of the budget under this program for the same activities to be conducted under the New York Rising Community Reconstruction Program to provide local communities funding to implement community-driven economic development projects.

The State is currently implementing a series of economic development programs to support the continued recovery of its communities including:

- The Small Business Grant and Loan Program provides small businesses the financial support needed to stabilize their business operations. To date, the Small Business Grant and Loan Program has awarded 412 grants for a total of \$6,500,000. The State is committed to the recovery of small businesses and intends to use this second allocation to continue that assistance.
- The Coastal and Seasonal Tourism Industry Programs, which are being implemented in tandem with the Small Business Grant and Loan program, targets resources to these heavily impacted industries.
- The Tourism Marketing Program provides critical promotion of impacted communities, many of which rely on tourism dollars as part of their economy.
- The Business Mentor NY Program provides mentorship support to small businesses to give businesses the tools to continue to recover and grow.

This Amendment also activates the Economic Revitalization as an eligible activity to increase the potential to support the resurgence of the economy at the local and state level. For the purposes of the programs detailed herein, economic revitalization is not limited to activities that are “special economic development” activities under the HCD Act, or to activities that create or retain jobs. For CDBG-DR purposes, Economic Revitalization can include any activity that demonstrably restores and improves some aspect of the local economy; the activity may address job losses, or negative impacts to tax revenues or businesses. All Economic Revitalization activities must address an economic impact(s) caused by the disaster (e.g., loss of jobs, loss of public revenue).

Activity Type: Economic Revitalization

National Objective: Low and Moderate Income, Urgent Need, or Slum and Blight

Geographic Eligibility: All damaged declared counties

Eligible Activity:

Economic Development Sec. 105(a)(2), (8),(14), (15), (17), (21), (22) 42 U.S.C. 5305(a)(14) (15) (17) (22);
Economic Revitalization FR-5696-N-01 (VI) (D); Tourism FR-5710-N-01 (ii) (3)

Program Description:

This program will enable a broad spectrum of activities to support the varied needs of communities recovering from the disaster. Current economic development efforts are limited to small business grants, loans and mentorship activities. By expanding assistance to include a comprehensive range of economic development activities, the State and local governments will have the opportunity to address economic impacts of the disaster in such a way that aligns with the long-term economic development goals of impacted communities. Additional activities supporting the business sector may include: small business technical assistance, commercial

redevelopment or enhancement, development of public facilities related to economic development, industry cultivation and/or preservation, workforce training or development, planning for economic growth and other activities to catalyze the state's economic recovery. Eligible activities may also include infrastructure development for economic purposes as well as mitigation, resiliency and green building efforts to protect, strengthen and increase efficiency of such investments. It is through this comprehensive approach to revitalization that the State will be able to support its communities as they rebuild and grow.

Eligible Applicants:

Eligible applicants can include local governments and nonprofits as well as the State.

Eligible Activities:

Economic Revitalization efforts enable a multi-pronged approach to ensure the businesses in New York's most impacted areas are provided the support they require, including:

- Coordination of priority projects and key economic revitalization needs identified within the Community Reconstruction Plan
- Alignment to state and local long-term economic development priorities
- Financial support to impacted communities for economic revitalization efforts including, but not limited to:
 - Financial and technical assistance to microenterprise, small and medium-sized businesses
 - Prioritized economic revitalization assistance to impacted LMI communities
 - Workforce training in key economic growth sectors
 - Development of high-growth industry clusters
 - Revitalization and preservation of key legacy sectors such as agriculture, aquaculture, fisheries
 - Enhancement of recreational and cultural venues and organizations to increase job opportunities and increase local tax revenues
 - Rebuilding and expansion of infrastructure to attract and retain businesses and improve job access
 - Rebuilding and development to mitigate and increase resiliency for future impacts
 - Conducting planning activities to develop comprehensive revitalization and development plans
- Enhancement of public facilities promoting economic development, including but not limited to: streetscapes, lighting, sidewalks, other physical improvements to commercial areas, and other activities for transformative projects such as property acquisition, demolition, site preparation and infrastructure repair and installation

New York Rising Community Reconstruction Program (NYRCR)

Through its ground up planning process, the New York Community Reconstruction Program has identified numerous infrastructure, housing and economic development initiatives which will be implemented through this program. The revised budget shifts funds from the New York Rising Economic Development Program into the New York Rising Community Reconstruction Program to cover community-driven projects. The cross-cutting projects preliminarily identified through the community reconstruction plans include housing and economic development projects, but most have been initially identified as public facilities and public works infrastructure projects. This move depicts a continued commitment by the State to meet the unmet development needs of its communities.

Activity Name: New York Rising Community Reconstruction Program (NYRCR)

Type: Infrastructure, Housing, Economic Development, Planning

National Objective: Low and Moderate Income, Urgent Need, or Slum and Blight

Geographic Eligibility: Disaster-declared counties including New York City

Eligible Activity: 105 (a) all provisions 42 U.S.C. 5305(a)

Program Description:

The New York Rising Community Reconstruction program (NYRCR) was established by Governor Cuomo to provide additional rebuilding and revitalization assistance to communities damaged by Hurricane Irene, Tropical Storm Lee and Superstorm Sandy. This program empowers communities to prepare locally-driven reconstruction plans that identify innovative resiliency projects and other actions to help each community build back better and smarter in the face of future extreme weather events.

As approved in the initial Action Plan, the state allocated \$25,000,000 to support planning efforts of 45 committees that represent 102 storm-damaged communities across the state. In January 2014, the State made available an additional \$7,000,000 for planning efforts for an additional 22 communities which are either being added into the Phase 1 planning process or will start a new, Phase 2, planning process.

The communities participating in the NYRCR program were selected principally using FEMA Individual Assistance (IA) Full Value Loss (FVL) claims obtained in March 2013, as well as community populations measured in the 2010 census. The State based its original selection of communities on an initial analysis of the most impacted communities from the three named events. The initial planning process began with 45 communities. As new data became available the State updated its analysis of the most damaged communities. The result was the addition of 22 communities to the portfolio of the NYRCR program. This approach allowed New York State to identify both the overall hardest hit communities as well as smaller communities that suffered disproportionate damage and would not necessarily have qualified under total damage estimates because of their size.

In both Phase I and Phase II of the planning process, each community is led by a planning committee consisting of a cross-section of local civic, business and nonprofit leaders who participate on a voluntary basis. The CDBG-DR funds are used to hire teams of professional planning consultants to support these communities in their planning efforts. As part of the planning process, committees are required to hold public engagement meetings to gather input from communities. To date, the NYRCR program has held at least 400 meetings and public hearings throughout the communities and will continue this robust outreach in Phase II.

Upon completion of the planning process, each community will present a reconstruction plan to the State. Once the reconstruction plans are submitted, the Governor's Office of Storm Recovery will then work to ensure implementation of a number of projects included in the plans that are deemed eligible for CDBG-DR funding. The State anticipates final plans will also include projects that are not CDBG-DR eligible. There is a commitment by the State to continue to work with the committees to look for alternative funding sources for these projects.

Under this second allocation, the State will increase the NYRCR budget to more than \$650 million dollars of CDBG-DR funds to support the implementation of community-developed resiliency projects as a result of the planning process. The State will only fund projects that address a recovery need arising from the disaster(s), meet a CDBG national objective and constitute an eligible CDBG activity. Additionally, a set-aside of \$24,000,000 of these funds will be made available to Phase 1 communities through a competitive process for the most innovative practices in categories such as public engagement, green infrastructure, and protection of vulnerable populations. It is estimated that eight Phase One awards will be made through the competitive fund. For Phase Two, the Governor's Office of Storm Recovery will set-aside \$3,500,000 for the competitive process outlined above.

Implementation Approach:

As the committees draft their final reconstruction plans, they will be asked to identify "Priority Projects" where CDBG-DR dollars are intended to be the full or partial source of funding for the project. The Governor's Office of Storm Recovery will review and provide guidance on proposed CDBG-DR projects. In an effort to develop resilient, cost effective and successful projects for implementation, the Governor's Office of Storm Recovery is also partnering with the Department of State to engage the Governor's Regional Economic Development Council State Agency Resource Teams (SARTs) to provide additional review of projects and guidance to the committees.

After the final submission of the NYRCR reconstruction plans, the Governor's Office of Storm Recovery will begin the implementation process. The State will conduct a formal review of CDBG-DR eligible eligibility for project. The State will also conduct an initial feasibility analysis of the projects. Further, the State will seek to work with the most local unit of government of community-based organization which has the capacity to implement projects. In addition the state may engage state agencies, units of local government, public benefit corporations and local nonprofit organizations in the implementation of these projects where it will be useful. The State may also group like projects and projects which share regional boundaries to create a reasonable and cost effective implementation process when applicable. The State will further outline the implementation process as well as the selection process for the entities who will implement these projects in the New York Rising Community Reconstruction program policies and procedures.

Eligible Applicants:

The State intends to engage both units of local government and local nonprofit organizations, as well as appropriate state agencies, authorities and public benefit corporations, to carry out these projects.

Eligible Activities:

To the extent activities are disaster recovery related and part of the Community Reconstruction plans submitted to the State, eligible activities for this program include, but are not limited to the following:

- Acquisition of real property, public facilities and improvements, clearance, rehabilitation, reconstruction, and construction of buildings;
- Removal of architectural barriers to access by the elderly and handicapped;
- Disposition of real property, including costs associated with maintenance and transfer of acquired properties;
- Provision of public services, such as job training;

- Infrastructure projects including but not limited to payment of the non-federal share of other federal matching grant programs;
- Relocation associated with projects that utilize one or more of the other eligible activities listed here;
- Activities carried out through nonprofits;
- Assistance to neighborhood-based organizations, local development corporations, and nonprofits serving the development needs of communities; and
- Energy efficiency/conservation programs.

Economic Revitalization activities, as listed in the above Economic Development section, may also be utilized within the implementation of the Community Reconstruction Program.

New York Rising Infrastructure Program

The State's Infrastructure Program has been previously approved. The program below provides a reorganization of how the State will deliver these program components. It also increases the budget for the program to address identified unmet needs that must be addressed to rebuild and repair impacted infrastructure and to make New York's storm-impacted infrastructure assets more resilient to future storms events.

Activity Type: Public Infrastructure and Facilities and Local Government Support

National Objective: Low and Moderate Income or Urgent Need

Eligible Activities: Public facilities 105(a)(2); Code Enforcement 105(a)(3); Clearance 105(a)(4); Public services 105(a)(8); Non-federal share 105(a)(9) Energy Use Strategies 105(a)(16); 42 U.S.C. 5305(a)(2)

Geographic Eligibility: Disaster-declared counties

Program Description:

The State's Infrastructure Program, as approved in the initial Action Plan, supported the use of CDBG-DR funds to cover state and local governments' share of the match required by federal programs on recovery projects as well as rebuilding or mitigating critical infrastructure systems. This Action Plan Amendment continues these activities but provides a new structure for program implementation. The Action Plan Amendment also increases the budget for infrastructure by \$430 million, to a total of more than \$700 million to support match payments and infrastructure rebuilding and mitigation. The State's CDBG-DR resources will not be used to cover match payments for projects within New York City, with the exception of projects that may be state-owned and either located in-part or in-whole within New York City. The State will, however, cover infrastructure projects in New York City communities that are part of the New York Rising Community Reconstruction Program outlined in the previous section. In addition, the State will only fund projects that address a recovery need arising from the disaster(s), meet a CDBG national objective and constitute an eligible CDBG activity.

New York's infrastructure assets are still in the early phases of recovery from Hurricane Irene, Tropical Storm Lee and Superstorm Sandy. Across the disaster region, FEMA project worksheets are still being developed for a wide range of projects, with costs ranging from less than \$20,000 for small repairs, up to estimates that exceed \$750 million for a single large project. Similarly, the full impact and cost to repair New York's storm-impacted transit and transportation systems, which drive both regional and national economies is still being assessed by other federal agencies.

The increase in budget was based on an updated unmet needs analysis as well as consultation with state agency partners, local and county government officials, other public entities, and community leaders. The unmet needs analysis confirmed what the State identified immediately after Superstorm Sandy; the resources required to rebuild damaged infrastructure and mitigate against future storms, far exceeds available resources.

As the State continues to work with federal partners to access available repair and mitigation funds, it will focus on repairing, replacing and increasing resiliency of recovery-related activities to publically-owned critical infrastructure assets in the energy, transportation, water and waste-water sectors. The State will also support projects that restore, enhance and make more resilient the region's natural resource assets which provide a natural line of defense to safeguard communities against future disasters. In all infrastructure efforts, the State will support green infrastructure alternatives. Currently, the State has committed to address storm-related recovery costs for the Bay Park Waste-water Treatment Facility in Nassau County once the assessment of damage is completed through the FEMA Public Assistance program. The State also intends to support the proposed ocean outfall pipe for this facility if engineering and other technical studies indicate that this project is warranted. The State continues to work with FEMA and other federal partners to assess the outstanding needs of other large infrastructure projects such as the Long Island Power Authority (LIPA), other water and waste-water facilities, transportation hubs and transit networks.

As previously mentioned, the State will conduct a risk analysis of 'covered' infrastructure following HUD's guidance in the Federal Register notice. Currently, the State has identified projects that meet this threshold, the Bay Park Waste-water Treatment facility and LIPA's storm-impacted energy system. The State also anticipates paying the non-federal share match to repair a series of bridges which will be considered as a 'Covered Project.'

The State included Bay Park and other infrastructure projects that are part of the non-federal share program to ensure transparency in the amendment process. The Long Island Power Authority (LIPA) and Nassau County Bay Park Wastewater treatment facility restoration projects rank in terms of dollars as among the largest single awards in FEMA history. These projects are utilizing a new Sandy specific FEMA Alternative Pilot Program process. Currently, FEMA has yet to provide to the State the finalized plan for what repair, restoration and mitigation will be covered. However, even without a final plan from FEMA and as required by the November 18th notice, the State continues to take an active and lead role among the grantee states in participating in the Federal Inter-agency Task Force Resiliency Group to address the covered project revisions. If any project is deemed a covered project, the State will seek HUD approval for these and all covered projects.

The Infrastructure Program is organized into three sub-programs. A brief overview of these components are below. Further program details are provided in the program policies and procedures.

Non-federal Share "Match" Program

This component is designed to assist eligible public entities to pay the non-federal share, or "match," for federal disaster recovery programs and was approved in the initial Action Plan. FEMA's Public Assistance Program requires the State to pay a 10% fee to match 90% of the investment on projects from the agency. Currently, nearly 3,000 projects have been approved by FEMA with over 1,000 eligible applicants. Many of these applicants have few options to cover the match requirement. CDBG-DR is the only federal funding source approved to cover the non-federal match costs. The number of projects eligible for PA continues to increase as FEMA continues to refine the estimated damage and repair costs. Total FEMA PA program costs are expected to approach over \$73,000,000,000.

LIPA is a public authority and thus eligible for the FEMA PA program. As with other public entities, the State will assist in providing the non-federal share match for CDBG-DR eligible activities under its program as part of the FEMA PA program. Currently, the State only intends to address the PA claims and match requirements. FEMA PA validates, as part of the program, that as insurance proceeds are calculated the program will reduce the match award payment accordingly. The State, through its review of PA worksheets and supporting documentation, will ensure that duplication of benefits does not occur. If it is determined that part of any

assistance provided to LIPA is a covered project as identified by the notice, then it will be submitted to HUD for approval.

Through these programs, the State is playing close attention to applicants who provide services to vulnerable populations and who may need assistance with meeting the match obligation such as Public Housing Authorities. As the State continues to engage in conversations with the PHAs to estimate their unmet need and availability of FEMA assistance, the State will use the Public Assistance Program to assist the PHAs if needed. The State is committed to ensuring that the PHA's needs are met as the population they serve is a priority for the State.

Federal Programs Eligible, under the State's Match Program, for reimbursements include:

- EPA Programs – State Revolving Fund Program & Drinking Water and Waste-water Treatment,
- FEMA Hazard Mitigation Grant Program,
- FEMA Public Assistance Program including 406 Mitigation measures,
- FEMA Mission Assignment Program, Direct Federal Assistance
- FEMA Individual Assistance Program, specific sections
- USDOT Programs - FHWA-ER & FTA-ER programs,
- USACE Program, and
- USDA Natural Resource Conservation Service – disaster recovery program NRCS ERS.

Sectors that may receive funds are:

- Local and County Governments
- State Agencies
- Public Schools - (K-12)
- First Responders - Entities not covered by a unit of local government
- Critical Infrastructure Facilities
- Public Housing Authorities

The State will work with state agencies, local governments and other potential recipients of match funds to determine their eligibility for this component of the program.

Local Government Public Infrastructure Program

This program is designed to meet additional recovery needs of heavily impacted local governments, school districts and other public entities that play critical roles in local communities. To be eligible for the program, the public entity must have been directly impacted by one of the named storms and have had a significant and acute funding gap. It is anticipated that the majority of large infrastructure costs will be covered within the FEMA PA program, and the above Match program. However, the State has identified communities where outstanding gaps in funding to cover essential public services and infrastructure remain. Funds may also be used to repair, rebuild, enhance, or mitigate a facility as long as there is not a duplication of benefit. The State will only fund projects that address a recovery need arising from the disaster, meet a CDBG national objective and constitute an eligible CDBG activity. The Governor's Office of Storm Recovery is still undergoing a system wide analysis of unmet need at the local level and reserves the right to assist entities that meet the program guidelines.

The State will also work with local governments to assist the continued repair and mitigation of public facilities and services. Additionally, the Governor's Office of Storm Recovery is aware that many local school districts and local governments face a strain on their capacity to provide essential services. To meet these needs the State will consider development of a financing program that would address loss to key public services resulting from the disasters.

Critical Infrastructure Program

Three sectors will be covered through the Critical Infrastructure component (Transportation, Energy and Water and Waste-water).

Transportation Infrastructure

The Critical Infrastructure program will ensure that New York's transit entities and facilities with eligible storm related recovery needs are assisted through the FEMA PA program, the Hazard Mitigation Grant Program, the Federal Transit Authority Program (FTA-ER) and/ or the Federal Highway Administration (FHWA) – Emergency Relief program. As per the Federal Notice, the Governor's Office of Storm Recovery will work closely with the State of New Jersey and New York City to ensure that repair and rebuilding costs incurred by the Port Authority of New York and New Jersey (PANYNJ) and the Metropolitan Transit Authority (MTA) are met whether through CDBG-DR, another federal source of funds, or through the agencies' capital plans.

Energy Infrastructure

Superstorm Sandy made landfall on Long Island and crippled the region's largest public energy system, LIPA. LIPA provides service to over 90% of Long Island residents. Sections of Long Island were without power for weeks. The lack of power and physical damage highlighted to the State and federal authorities that, in addition to rebuilding and repairing LIPA's system from Superstorm Sandy, additional resiliency measures were needed so that future events did not add more repair and rebuilding costs. As a public entity, LIPA is eligible for federal programs, including FEMA's PA program. However, due to the level of damage incurred, over \$1 billion, Long Island residents would face significant rate increases to implement the changes necessary to restore and protect the LIPA system and to cover the match payment for recovery. As a result, the State through the critical infrastructure program, will assist LIPA by addressing specific recovery needs so that these rebuilding, repair and mitigation costs are not passed onto consumers.

Water and Waste-water Treatment Facilities

Water and waste-water treatment facilities, such as the Bay Park Waste-water Treatment Facility, are generally located in low-lying areas and thus were heavily impacted by Superstorm Sandy. Total estimates to repair the full slate of storm-impacted facilities in New York State may exceed \$1 billion. The recovery, repair and resilience of these treatment facilities is a priority for the Governor's Office of Storm Recovery. The eligible FEMA PA assistance claims, including the amount of 406 mitigation measures to be applied to these low-lying facilities, is still being determined. Repair and/or replacement estimates from these programs are increasing. Depending on the final eligibility determinations by FEMA and or EPA, the Governor's Office of Storm Recovery may, depending on the availability of funds, allocate CDBG-DR funds to assist with gap funding for the non-federal share of some of these projects.

Natural Resource Green Infrastructure Program

This program is designed to promote the State's commitment to green infrastructure, meet recommendations made by the Hurricane Sandy Rebuilding Task Force and embrace HUD's recommendation that grantees incorporate natural resiliency measures into infrastructure projects. This program will use funds to address the recovery and rebuilding needs of state agencies and units of local government who pursue projects that are natural resource based and or incorporate "green infrastructure" methods in project design. Projects must primarily use a "green" method to address a critical infrastructure or community resiliency need, i.e. protect sections of housing stock, public infrastructure, or business assets. Examples of projects that may be developed include: restoring, developing, and or enhancing natural barrier dune systems, wetland habitats, near shore vegetation and forest canopies; creating living shorelines; and restoring man-made or natural beach environments.

Resilience Performance Standards

The State is committed to implementing resiliency performance standards for all infrastructure projects. While in the planning stages for its projects, the State has and will continue to consider how requirements related to flood-proofing, wind-resistance and other mitigation efforts associated with rebuilding more resilient structures

and communities can be achieved. Working with the New York State Office of Emergency Management (State OEM), the state will utilize the mitigation principles of FEMA's Hazard Mitigation Program to develop its resiliency measures. NYS RISE, on behalf of the State, is developing a set of performance standards that the State will use to measure resiliency within a project. These include:

- Robustness (ability to absorb and withstand disturbances and crises)
- Redundancy (excess capacity and back-up systems, which enable maintenance of the core functionality in an event of disturbance)
- Resourcefulness (ability to adapt to crises and respond flexibly)
- Response (ability to mobilize quickly in the face of crises)
- Recovery (ability to regain a degree of normality after a crisis).

Once this index is compiled, the State will review the standards for appropriateness and feasibility of implementation. With input from NYS RISE, private stakeholders, and public agencies including the federal agency partners, affected state agencies and units of local government, the State will determine a set of performance standards and implement them where appropriate.

General Administration

Organizational Infrastructure

In June 2013, Governor Andrew M. Cuomo established the Governor's Office of Storm Recovery to maximize the coordination of recovery and rebuilding efforts in storm-affected municipalities throughout New York State. This program is formed under the auspices of New York State's Office of Homes and Community Renewal's Housing Trust Fund Corporation (HTFC), a subsidiary public benefit corporation of the New York State Housing Finance Agency, which will direct the administration of the Federal CDBG-DR funds.

The Governor's Office of Storm Recovery works in close collaboration with local and community leaders to respond to communities' most urgent rebuilding needs while also identifying long-term and innovative solutions to strengthen the State's infrastructure and critical systems. The Governor's Office of Storm Recovery also administers a variety of programs related to housing recovery, economic development, infrastructure, and community reconstruction following the devastating impact of Hurricane Irene, Tropical Storm Lee and Superstorm Sandy.

The Governor's Office of Storm Recovery programs and the other activities are based on the foundation of six key principles:

- **Building back better and smarter** – As New Yorkers work to repair the severe damage caused by Hurricane Irene, Tropical Storm Lee and Superstorm Sandy, the state will use the opportunity to ensure that damaged housing, infrastructure and communities are not simply restored to their pre-storm condition but built back safer and stronger. New York State will invest in additional mitigation measures to prevent similar damage from occurring in the future.
- **State-led, community-driven recovery** – New York State is collaborating closely with local governments and other organizations to ensure a coordinated and holistic response, while looking to individual communities to develop forward-looking local recovery plans that meet their specific needs.
- **Recovery from Irene and Lee** – The recovery efforts will also extend to those communities still recovering from Hurricane Irene and Tropical Storm Lee.
- **Leveraging private dollars** – New York State will undertake programs that will help unlock capital markets and increase the amount of low-interest financing of key projects by reducing the risk for private sector lenders.
- **Spending accountability** – New York State will implement rigorous controls and checks to ensure funds are spent responsibly and in compliance with federal and state guidelines.
- **Urgency in action** – The recovery is a long-term endeavor, but people need immediate help. The projects and programs presented in the Action Plan including this amendment have been shaped to balance effective delivery of support to individuals and communities while maintaining compliance with regulatory requirements.

Tracking and Reporting of Program Income

The State will follow the requirements of 24 CFR 570.489 in regards to Program Income. All Program Income will come back to the State.

Citizen Participation

The primary goal of the New York Citizen Participation Plan is to provide all New York citizens with an opportunity to participate in the planning, implementation, and assessment of the State's CDBG-DR Sandy recovery program(s). The Plan sets forth policies and procedures for citizen participation, which are designed to maximize the opportunity for citizen involvement in the community redevelopment process. New York State developed the Citizen Participation Plan to meet the requirements of the CDBG Disaster Recovery (CDBG-DR) funding for Superstorm Sandy, Hurricane Irene, and Tropical Storm Lee. The Plan reflects the alternative requirements as specified by the U.S. Department of Housing and Urban Development (HUD) in the Federal Register (FR-5696-N-01), Federal Register (FR-5696-N-06) and notice of specific waivers.

The State will ensure that any Units of General Local Government (UGLG) or sub-recipients who receive funds will have a Citizen Participation Plan that meets the CDBG-DR regulations and takes into consideration the waivers and alternatives made available under CDBG-DR funding.

In order to facilitate citizen participation requirements and to maximize citizen interaction in the development of the New York Disaster Recovery Action Plan, substantial amendments to the Action Plan, and the Quarterly Performance Reports (QPR), the State has laid out targeted actions to encourage participation and allow equal access to information about programs by all citizens, including those of low and moderate income, persons with disabilities, the elderly population, persons receiving Disaster Housing Assistance Program (DHAP) funding, and persons with limited English proficiency.

Public Outreach

The Governor's Office of Storm Recovery is committed to ensuring that all populations impacted by the storms are aware of the programs available to assist in the recovery from Hurricane Irene, Tropical Storm Lee and Superstorm Sandy. Through in person meetings, outreach events, online and traditional media, GOSR has publicized programs and conducted outreach efforts throughout the storm impacted areas. In addition, the Governor initiated the New York Rising Community Reconstruction program, a grass-roots community driven process that engages the public as a key stakeholder in the planning and rebuilding process. Through 42 cross-jurisdictional committees representing 102 communities, the NYRCR stakeholders helped to inform their communities about the available recovery programs as they came online.

Programmatic Outreach

Through the New York Rising Community Reconstruction Program, there have been over 400 Planning Committee Meetings to construct a vision statement; to conduct an inventory of critical assets and an assessment of risks; and then ultimately to craft the strategies, proposed projects or actions, and implementation strategies for how to address these risks. All meetings were open to the public and were publicized by media advisories, flyers and posters hung in public buildings; radio announcements; and through social media. Where necessary, meetings were advertised in various languages to ensure the immigrant population was informed. Translators were also present at meetings so that information was clearly understood. For the hearing impaired, sign language interpreters were also available.

More than 125 Public Engagement Events attracted thousands of community members, who provided feedback on the NYRCR planning process and proposals and made additional suggestions. Planning Committee members were instrumental in including those communities that are traditionally underrepresented, from engaging immigrant populations to working with high school students. Committee members made

presentations at senior housing complexes, religious gatherings, schools, and at Chambers of Commerce. In Suffolk County, workshops on the NYRCR Program and resilience measures were held for students learning English as a second language.

For the Small Business program, GOSR worked in coordination with the Empire State Development Corporation (ESD) as well as its subrecipient, the Small Business Development Center (SBDC) to create a multi-pronged approach to reach out to more than 3,000 businesses in the impacted communities has included paid advertising, door-to-door visits, press releases and other public relations efforts, and collaboration with various constituents and community organizations.

For the New York Rising Homeowner Program, early on the State partnered with the Long Island Housing Partners to target community outreach including but not limited to, persons with disabilities and other special needs, and senior households, with a focus on low to moderate income minority communities; outreach to and coordination with civic associations, religious and advocacy groups (racial equity), social service agencies, emergency aid not-for profits, educational institutions, and outreach to residences impacted by the disaster.

The State's vendors on the project also held numerous meetings to inform the public about the availability of grants for home repairs. This outreach consisted of a variety of methods: media announcements, online updates on the Storm Recovery website and through Storm Recovery profiles on social media platforms including Facebook, Twitter, and Instagram, community meetings, and partnerships with sub-recipients. Additionally, staff frequently made presentations to community groups, specifically in Long Island, to provide updated program information. A similar effort has been conducted in counties in upstate New York to make sure that all impacted homeowners have the most up to date information about the program. In addition, frequent technical assistance meetings were held with applicants to assist homeowners in better understanding the program and completing the rebuilding process successfully.

Further the State also engaged the Welfare Council of Long Island/Long Island Long Term Recovery Group (LTRG) to conduct targeted outreach to low and moderate income individuals that were affected by the Superstorm Sandy, in order to encourage these individuals to apply to the NY Rising Housing Recovery Assistance Program before the April 11, 2014 deadline.

For its rental programs, the State will continue to conduct outreach to potential landlords throughout the impacted areas that may be eligible for the program. As part of its implementation, the State will also conduct outreach to previous tenants of the damaged rental units to make them aware of potential repaired and newly built units as they are completed.

Outreach to Vulnerable Populations

The State has also conducted outreach to residents with more acute needs, particularly low and moderate income household and households headed by non-English speaking persons. As noted above, within the NYRCR program, where necessary, meetings were advertised in various languages to ensure the immigrant population was informed. Translators were also present at meetings so that information was clearly understood. For the hearing impaired, sign language interpreters were also available.

As the State continues to implement programs and work with communities to recover from Hurricane Irene, Tropical Storm Lee and Superstorm Sandy, the Governor's Office of Storm Recovery is committed to continued outreach and program accessibility to vulnerable populations and ensuring that program information is accessible to populations with language barriers. For example, the Action Plan Amendment is translated into Spanish, Russian and Chinese, which are the three languages most needed for persons with language barriers in impacted counties (based on the 2008-2012 ACS 5-Year Estimates, Table B16001, Populations 5 Years and Over Who Speak English less than "very well").

Currently documents are translated into the three above-mentioned languages. The State will continue to translate programmatic materials within its programs. The State will also continue to provide translation services as needed in case management and public meetings.

The State is in the process of upgrading its entire website to be released in late summer 2014. In the interim, prior to deployment of the revised website, the State will update its current website to enable language access capabilities. In addition, as it rolls out the revised website, the State will prioritize language translation functionality as one of the first phases of the development process. The State will also provide translation of any document into additional languages, braille, or any other formats for persons with visual impairments upon request.

Moving forward, the State will continue to further these efforts to reach out to all populations and ensure that the community is educated and aware of all of the recovery programs. As programs adjust and move into new phases, the State will continue to adjust their public outreach to ensure comprehensive outreach to all populations.

Public Notices, Public Hearings and Comment Period

The State Citizen Participation Plan will ensure that there is reasonable and timely access for public notice and comment on the activities proposed for the use of CDBG-DR grant funds. Since the Notice for the Second Allocation has revised the requirements for public hearings, the State will always hold a minimum of one public hearing for each substantial amendment starting with the release of the State's Amended Action Plan. Written minutes of the hearings and attendance rosters will be kept for review by State officials. The State has and will continue to coordinate outreach meetings with State entities, local governments, non-profits, private sector and involved associations. The State invited public comment to the New York Disaster Recovery Action Plan and will continue to invite public comment for any future Substantial Amendments for a minimum thirty (30) days, posted prominently and accessed on the Governor's Office of Storm Recovery official website.

Substantial Amendments to the Action Plan

The State has defined Substantial Amendments to the Action Plan as those proposed changes that require the following decisions:

- Addition or deletion of any allowable activity described in the approved application
- The allocation or re-allocation of more than \$1 million
- Change in the planned beneficiaries

Those amendments which meet the definition of a Substantial Amendment are subject to public notification, public hearings and public comment procedures. Citizens and units of local government will be provided with reasonable notice and an opportunity to comment on proposed Substantial Amendments to the Action Plan. A notice and copy of the proposed Substantial Amendment will be posted on the agency's official website. Citizens will be provided with no less than thirty (30) days to review and comment on the proposed amendment. Written comments may be submitted to:

**Governor's Office of Storm Recovery
64 Beaver Street
P.O. Box 230
New York, New York 10004
Comments may also be made at www.stormrecovery.ny.gov**

A summary of all comments received and reasons why any comments were not incorporated into the Substantial Amendment will be included in the HUD request for a Substantial Amendment and posted to the Governor's Office of Storm Recovery official website.

Non-substantial Amendments to the Action Plan will be posted on the Governor's Office of Storm Recovery official website after notification is sent to HUD and the amendment becomes effective. Every Amendment to the Action Plan (substantial and non-substantial) will be numbered sequentially and posted on the website.

Performance Reports

The State must submit a Quarterly Performance Report through HUD's Disaster Recovery Grant Reporting (DRGR) system no later than thirty (30) days following the end of each calendar quarter. Within three (3) days of submission to HUD, each QPR must be posted on the Governor's Office of Storm Recovery official website for public review and comment. The State's first QPR is due after the first full calendar quarter after the grant award. QPR's will be posted on a quarterly basis until all funds have been expended and all expenditures have been reported.

Each QPR will include information about the uses of funds in activities identified in the Action Plan as entered in the DRGR reporting system. This includes, but is not limited to: project name, activity, location, and National Objective; funds budgeted, obligated, drawn down, and expended; the funding source and total amount of any non-CDBG-DR funds to be expended on each activity; beginning and actual completion dates of completed activities; achieved performance outcomes such as number of housing units complete or number of low and moderate income persons benefiting; and the race and ethnicity of persons assisted under direct-benefit activities. The State must also record the amount of funding expended for each Contractor identified in the Action Plan. Efforts made by the State to affirmatively further fair housing will also be included in the QPR.

During the term of the grant, the grantee will provide citizens, affected local governments, and other interested parties with reasonable and timely access to information and records relating to the approved program and to the grantee's use of grant funds as well as contracts procured with CDBG-DR funding. This information shall be posted on the grantee's official website and provided on request.

Technical Assistance

The State will provide technical assistance to facilitate citizen participation where requested, particularly to groups representative of persons of low and moderate income and vulnerable populations. The level and type of technical assistance shall be determined by the applicant/recipient based upon the specific need of the community's citizens.

Citizen Participation Requirements for Sub-recipients and Local Governments Participating in CDBG-DR Programs

To ensure applicant compliance with Section 508 of the Housing and Community Development Act of 1974, as amended, the citizen participation requirements for Units of General Local Government (UGLG) applying for or receiving Disaster Recovery funds from the State are as follows:

Each applicant shall provide citizens with adequate opportunity to participate in the planning, implementation, and assessment of the CDBG program. The applicant shall provide adequate information to citizens, obtain views and proposals of citizens, and provide opportunity to comment on the applicant's previous community development performance.

All UGLGs which receive CDBG-DR funds must have a written and adopted Citizen Participation Plan which:

- provides for and encourages citizen participation, with particular emphasis on participation by persons of low- and moderate-income who are residents of slum and blighted areas and of areas in which funds are proposed to be used;
- provides citizens with reasonable and timely access to local meetings, information, and records relating to the State's proposed method of distribution, as required by regulations of the Secretary, and relating to the actual use of funds under Title I of the Housing and Community Development Act of 1974, as amended, and the unit of local government's proposed and actual use of CDBG funds;
- provides for technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee;
- provide for the review of proposed activities and program performance by potential or actual beneficiaries, and with accommodations for the disabled;
- provides for a timely written answer to written complaints and grievances, within 15 working days where practicable;
- identifies how the needs of non-English speaking residents will be met where a significant number of non-English speaking residents can be reasonably expected to be involved;
- establishes procedures and policies to ensure non-discrimination, based on disabilities, in programs, and activities receiving Federal financial assistance as required by Section 504 of the Rehabilitation Act of 1973, as amended.

The plan must be made available to the public and must include procedures that meet the following requirements:

Performance Hearings

Prior to close out of the disaster recovery program, the Program, the UGLG and State sub-recipients may be required to hold a public hearing to obtain citizen views and to respond to questions relative to the performance of the program. This hearing shall be held after adequate notice, at times and locations convenient to actual beneficiaries and with accommodations for the disabled and non-English speaking persons provided.

Written minutes of the hearings and attendance rosters will be kept for review by State officials. Nothing in these requirements shall be construed to restrict the responsibility and authority of the applicant for the development of the application.

Complaint Procedures

The State will ensure that each UGLG, or Sub-recipient funded with CDBG-DR funds will have written citizen and administrative complaint procedures. The written Citizen Participation Plan shall provide citizens with information relative to these procedures or, at a minimum, provide citizens with the information relative to the location and hours at which they may obtain a copy of these written procedures.

All written citizen complaints which identify deficiencies relative to the UGLG, Sub-recipient's community development program will merit careful and prompt consideration. All good faith attempts will be made to satisfactorily resolve the complaints at the local level. Complaints will be filed with the Executive director or chief elected official of the entity who is receiving the funds and who will investigate and review the complaint. A written response from the Chief Elected Official, Agency Head, or Executive Director to the complainant will be made within 15 working days, where practicable. A copy of the complaint and determination must be sent to the GOSR's head of Monitoring and Compliance.

Certifications and Compliance

As mentioned above, the Governor's Office of Storm Recovery, operating under the auspices of New York State's Office of Homes and Community Renewal's Housing Trust Fund Corporation (HTFC, a subsidiary public benefit corporation of the New York State Housing Finance Agency), is the responsible entity for direct administration of the CDBG-DR grants for allocations made in 2011 and 2012.

The State is in the process of finalizing its certifications submitted in the initial Action Plan. These certifications will be submitted to HUD upon completion. GOSR also certifies that it will apply the resilience standards required in section VI (2)(e) of the notice once they are fully developed.

Further, the Governor's Office of Storm Recovery has developed an administrative manual that clarifies its administrative policies specific to CDBG-DR implementation. These policies follow the practices of the HTFC, but recognize that CDBG-DR has special requirements that the state has addressed within its administrative policies.

Section 3 Compliance

GOSR is committed to the goals of Section 3, as outlined in CFR 24 Part 135, to increase employment and business opportunities for low and very low income persons within projects developed with HUD resources. In accordance with the requirements under Section 3 of the Housing and Urban Development Act of 1968, as amended, UGLGs, state agencies/authorities or subrecipients shall ensure that employment and other economic opportunities generated by the use of CDBG-DR funds shall, to the greatest extent feasible, be directed to low and very low income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low and very low income persons. Assistance covered by Section 3 includes the expenditure of CDBG-DR funds for work arising in connection with housing rehabilitation, housing construction, or other public construction projects. Section 3 requirements are applicable to all procurement actions in excess of the small purchase threshold established at 24 CFR 85.36(d)(1), regardless of whether the procurement is governed by 24 CFR 85.36. Section 3 applies to the entire project or activity funded with assistance that triggers Section 3 requirements. UGLGs, state agencies/authorities or subrecipients receiving CDBG-DR grants that exceed \$200,000 must include a Section 3 clause in all construction contracts for \$100,000 or more. GOSR has included the provisions of CFR 24 Part 135 regarding the implementation of Section 3 goals within its RFPs, contracts and subrecipient agreements and is monitoring contractors and subrecipients' efforts to meet these goals.

ⁱ The following summarizes the primary differences in methodology between the unmet needs assessment conducted in April 2013 and the unmet needs assessment of this report:

1. Damage Categories for Housing – Severe Damage changed from 4 feet to 6 feet of flooding
2. If the owner has insurance, then the unmet need is 20% of the damage costs not covered by FEMA
3. If the renter earns more than \$30,000, then HUD presumes the landlord has sufficient insurance and there is no unmet need
4. If the renter earns less than \$30,000, then unmet need is 75% of damage costs. If the renter earns more than \$30,000, then there is no need.
5. FEMA PA categories A and B (Emergency Measures and Debris Removal) are excluded from the Unmet Needs
6. Local match for Federal Transit Administration projects, Federal Highway Administration projects, and U.S. Army Corps of Engineers Sandy-related projects are included in the Unmet Needs.
7. Mitigation costs for major and severe damage are included, estimated at 30% of damage costs for homes, businesses and applicable infrastructure projects with major to severe damage.

ⁱⁱ FEMA Individual Assistance data for Superstorm Sandy, Hurricane Irene, and Tropical Storm Lee effective January 15, 2014. Count represents FEMA Individual Assistance applicants where verified loss is greater than \$0. Excludes New York City counties (Bronx, Kings, New York, Queens and Richmond)

ⁱⁱⁱ FEMA Individual Assistance data for Superstorm Sandy, Hurricane Irene and Tropical Storm Lee effective January 15, 2014. Count is based on FEMA Individual Assistance applicants with FEMA Real Property Full Verified Loss (RP FVL) greater than \$8,000 (for owners), Personal Property Full Verified Loss (PP FVL) greater than \$2,000 (for renters) or flooding of one foot or greater. A home may have more than one FEMA Individual Assistance record if majorly or severely impacted by more than one storm. In instances where this occurs, the home is counted towards damage counts more than once. Excludes New York City counties (Bronx, Kings, New York, Queens and Richmond)

^{iv} Damage estimates use FEMA Individual Assistance records for Superstorm Sandy, Hurricane Irene, and Tropical Storm Lee effective January 15, 2014. Excludes New York City counties (Bronx, Kings, New York, Queens and Richmond)

^v Damage estimates use FEMA Individual Assistance records for Superstorm Sandy, Hurricane Irene, and Tropical Storm Lee effective January 15, 2014. Excludes New York City counties (Bronx, Kings, New York, Queens and Richmond)

^{vi} Low and Moderate Income defined as a household earning less than 80% of Area Median Income, which differs across metropolitan area. For the purpose of this analysis, we use 80% of Area Median Income within the Nassau Suffolk MSA of \$67,000 annually.

^{vii} Low and Moderate Income Census Tracts were determined to be substantially impacted if more than 100 units have FEMA-verified loss.

^{viii} , Eric S. Blake, Todd B. Kimberlain, Robert J. Berg, John P. Cangialosi, John L. Beven II, National Hurricane Center, *Tropical Cyclone Report, Hurricane Sandy*, February 12, 2013, retrieved January 21, 2014.

http://www.nhc.noaa.gov/data/tcr/AL182012_Sandy.pdf

^{ix} Guy Carpenter, *Post-Sandy: Damage Survey*, October 2013, retrieved January 15, 2014,

<http://www.guycarp.com/content/dam/guycarp/en/documents/dynamic-content/2013%20Oct%20Post-Sandy%20Damage%20Survey%20Publish.pdf>

^x Based on Dun and Bradstreet 2012 business data overlaid with FEMA Flood Inundation Files April 23, 2013. Businesses located within flooded Census Tracts determined to be impacted.

^{xi} *Ibid.*

^{xii} Senate Bipartisan Task Force on Hurricane Sandy Recovery, *Preliminary Response and Recovery Report*, February 2013.

^{xiii} FEMA Sandy Flood Inundation File April 18, 2013.

^{xiv} Business locations, revenue and employees from Dun and Bradstreet 2013. Profit is assumed at 7.2% of revenue during a two-week duration. For the purposes of this calculation, the definition of a small business is one with fewer than 100 employees.

^{xv} U.S. Department of Commerce, Economics and Statistics Administration, Office of the Chief Economist, *Economic Impact of Hurricane Sandy*, September 2013. Available online at

<http://www.esa.doc.gov/sites/default/files/reports/documents/sandyfinal101713.pdf>.

^{xvi} *Ibid.*

^{xvii} Brian Patrick Eha, “Six Months after Hurricane Sandy, Many Businesses Still Struggle to recover,” *Entrepreneur* online, April 29, 2013, retrieved January 27, 2014, <http://www.entrepreneur.com/article/226520>.

^{xviii} HUD advises in the methodology for calculating unmet need that since debris removal and emergency protective measures have already taken place, there is no gap in funding.

^{xix} http://www.fta.dot.gov/newsroom/news_releases/12286_15760.html, retrieved January 27, 2014

^{xx} Power outages reported by ConEdison, retrieved February 1, 2014, <http://www.coned.com/newsroom/news/pr20121101.asp>

^{xxi} *Tropical Cyclone Report, Hurricane Sandy*.

^{xxii} Based on Dun and Bradstreet 2012 business data overlaid with FEMA Flood Inundation Files April 23, 2013. Businesses located within flooded Census Tracts determined to be impacted.

Public Comments

The Governor's Office of Storm Recovery (GOSR) posted Action Plan Amendment Number 6 for the use of Disaster Recovery Community Development Block Grant (CDBG-DR) funds for public comment on February 18, 2014. At that time it began accepting comments on the website www.stormrecovery.ny.gov as well as through the mail. Additionally six (6) public hearings were held throughout the most heavily impacted regions. The legal notices of these hearings and the comment period were heavily publicized in periodicals (9) throughout the state and the three main non-English newspapers, El Diario (Spanish), Russian Bazaar (Russian) and Epoch Times (Chinese), as well as the New York Post, Long Island Newsday, Journal News, Oneida Daily Dispatch, Palladium Times, Press Republican, Staten Island Advance, Times Union and the Leader Herald. Additional notice of all public hearings was posted in newspapers throughout the state. GOSR also reached out to NYS's National Affordable Housing Act (NAHA) team leads, community based organizations that work closely with the State's Housing Agency, local elected officials and libraries to inform them both of the Action Plan Amendment comment period as well as the public hearings. The comment period officially ended on March 19, 2014.

This Amendment was made accessible to persons with disabilities upon request by telephone or written request at the address below. Translations of the APA were made in Chinese, Russian and Spanish, the three most common use languages in New York State based on an analysis of Census data for households with members 5 years or older with limited English proficiency.

During the public comment period, GOSR received over 100 comments. Most of the comments referred to an individual's specific application to either the housing or small business programs. Many citizens commented on specific types of projects they would like to see implemented through the Community Reconstruction Program and Infrastructure Program. GOSR has broken up the public comment responses into two sections below. Section A includes all comments from individuals or current applicants to state run programs. Section B includes comments from organizations.

SECTION A: Individuals or current applicants to state run programs.

1) SBA Loans:

The Governor's Office of Storm Recovery received numerous comments on challenges residents have had regarding SBA loans. The requirement that SBA loans be counted as a duplication of benefits of other federal recovery resources and subtracted from award amounts is troubling to homeowners who have rebuilt or are attempting to rebuild. Additionally, many comments suggested that the public was given conflicting messages about the requirement to apply for an SBA loan. As a result, commenters suggest that individuals in similar circumstances are being treated differently. Finally, there were many comments requesting that program participants be permitted to pay down SBA loans using CDBG-DR funding similar to the local match program for other federal program resources.

Response:

Federal regulations and HUD program guidance dictate the manner in which SBA loans be treated. The State does not have authority to change the treatment of SBA loans as a duplication of benefit; however, the Governor's Office of Storm Recovery continues to strongly advocate to HUD, SBA and the U. S. Congress regarding the challenges that the regulations concerning the SBA loans present to recovery and rebuilding efforts for both Homeowners and Small Businesses.

2) NY Rising Housing Recovery Program:

GOSR received many comments from participants in the NY Rising Housing Recovery Program specific to individual applications.

Response:

Every Homeowner that gave public comment was contacted by the Program staff to assist in resolving outstanding issues raised by their comment.

3) NY Rising Housing Recovery Program: General Contractor:

One commenter inquired about getting on the “pre-screened contractor list”.

Response:

GOSR no longer requires contractors to be on a list to participate in the NY Rising Homeowner Recovery Program. Interested companies must need to be licensed as a General Contractor by New York State. For projects over \$100,000 contractors will need to be bonded.

4) NY Rising Housing Recovery Program: Interim Mortgage Assistance Program (IMA):

A few comments came in about the IMA. Most were specific homeowner cases which were addressed through the constituent services team. One comment asked for further clarification on what is covered under “additional housing costs”.

Response:

The IMA program calculates the current housing costs for each applicant. This calculation includes the mortgage costs for the damaged home as well as additional housing costs. Additional housing costs are defined as the rent plus utilities for housing unit outside of the homeowners damaged home. In addition, each commenter was contacted by the Program staff to clarify and resolve outstanding issues raised by their comment.

5) New York Rising Rental Housing:

Two commenters indicated that they were concerned about delays in the implementation of the NY Rising Rental Property Program.

Response:

The Governor's Office of Storm Recovery is strongly committed to assisting owners of rental properties. Rental housing programs were included in the State's initial Action Plan and this Action Plan Amendment No. 6. When the NY Rising Rental Property Program is launched, GOSR will conduct general program marketing and reach out to individuals and organizations that have expressed interest in the program.

6) NY Rising Buyout Program:

One commenter requested that Lower Tottenville Beach in Staten Island be an Enhanced Buyout Area. There was also a request that Graham Beach in Staten Island be added. Another commenter in Hempstead requested the Buyout Program be expanded to their impacted neighborhoods.

Response:

GOSR is currently reviewing additional proposals submitted by communities that would like to be included in the Buyout Program. The program is also maintaining lists of interested property owners to document areas where homeowners want the Program to expand and to be able to communicate with them if they become eligible.

7) GOSR Website:

A few comments were received about making the website more transparent and more user-friendly.

Response:

GOSR is constantly working to update the public on active programs and recovery progress through its website. We welcome any suggestions from our various constituencies, and will make adjustments to our website as appropriate. The website is an important tool of communication between our office and the public.

8) Sandy Housing Assistance Relief Program (SHARP):

One commenter supported the SHARP program as it was defined in the Action Plan Amendment No. 6.

Response:

The impact of Hurricane Irene, Tropical Storm Lee and Superstorm Sandy on the most vulnerable populations cannot be overlooked. Many households, especially rental households, that evacuated or whose homes were damaged by the storms were near the edge of sustainability prior to the storms. As noted in Section B, the Office of Temporary Disability Assistance has provided public comment that the agency will no longer pursue SHARP. Therefore, GOSR has modified SHARP to not only include rental assistance as outlined but also expanding to other housing assistance such as repairs to public housing units for vulnerable populations.

9) Section 3:

GOSR received comments about the lack of information on State compliance with Section 3 of the Housing and Urban Development Act of 1968, a provision which encourages creating local jobs and contracting opportunities in connection with federal spending.

Response:

In programs where Section 3 is applicable and required by the federal register, GOSR will outline the Section 3 plan for that program in any RFP or other proposal released for that program, any contracts executed, as well as in the program's policies and procedures.

10) Impacted Schools:

One commenter urges GOSR to fund schools that were impacted by the storms.

Response:

GOSR is working closely with New York State Department of Homeland Security and Emergency Services (DHSES) to coordinate assistance to schools in the region that were impacted by the storm as they are identified by local government.

11) Dutchdam in Oyster Bay:

One commenter suggested GOSR build a Dutchdam to help Oyster Bay at low tide.

Response:

In some instances, proposals for Dutchdams have been advanced in the New York Rising Community Reconstruction Program community planning process. GOSR continues to evaluate the work products of the planning committees/planning process. GOSR is also working with state and federal partners including FEMA, the Army Corps of Engineers to secure additional resources for beach nourishment and dune system improvements.

12) Sewer System:

Several commenters in Suffolk and Nassau County indicated that sewer systems need repair and upgrading.

Response:

GOSR is aware of the issue and looking to address sewer and wastewater issues across the state through the New York Rising Community Reconstruction Program and the Critical Infrastructure Program. These programs are in the planning and development stage. Specific sewer investments may be addressed when these programs are launched. Given the State's limited resources, the State is committed to pursuing opportunities to leverage additional funding for these critical projects.

13) Bay Park Waste-water Treatment Facility and Outfall System:

Several commenters stressed the need to repair the Bay Park Waste-water Treatment Facility and to design an ocean outfall system for treated water.

Response:

Currently the State has committed to address storm-related recovery costs for the Bay Park Waste-water Treatment Facility in Nassau County once the assessment of damage is completed through the Federal Emergency Management Agency's (FEMA) Public Assistance Program. The State also intends to support the proposed ocean outfall pipe for this facility if engineering and other technical studies indicate that the project is warranted. The State continues to work with FEMA, Environmental Protection Agency (EPA), and other federal partners to assess the outstanding needs of other large infrastructure projects including waste-water facilities. GOSR staff on Long Island is working with local partners to identify appropriate solutions.

14) Dunes in Coastal Communities:

Several commenters indicated a need to repair dune systems protecting coastal communities on Long Island.

Response:

Natural systems-based resilience measures, such as dune system repair, are critical to the protection of coastal communities. In some instances, proposals for dune restoration and beach nourishment have been advanced in the New York Rising Community Reconstruction Program community planning process. GOSR continues to evaluate the work products of the planning committees/planning process. GOSR is also working with state and federal partners including FEMA, the Army Corps of Engineers to secure additional resources for beach nourishment and dune system improvements.

15) Wetlands on Long Island:

Several commenters indicated a need to restore wetlands on Long Island.

Response:

The State supports projects that restore, enhance, and make more resilient the region's natural resource assets, which provide a natural line of defense to safeguard communities against future disasters. Wetlands provide important wildlife habitat and natural mechanisms for absorbing flooding and surge. In some instances, proposals for wetlands restoration have been advanced in the New York Rising Community Reconstruction Program community planning process. GOSR continues to evaluate the work products of the planning committees/planning process. Where appropriate, GOSR is working with state and federal partners including FEMA, EPA, U.S. Fish and Wildlife Service to secure additional resources for wetlands restoration and enhancement.

16) NY Rising Infrastructure Program:

Several commenters indicated a need to repair and strengthen infrastructure.

Response:

Many different state and federal funding streams support infrastructure repair and improvement. CDBG-DR funds represent one of those sources. CDBG-DR resources will be used to address infrastructure repair and resiliency needs through the Critical Infrastructure Program and the "Federal Match" Program. GOSR is also committed to incorporating green infrastructure techniques into projects. The selection process will be on a project by project basis utilizing all requirements in the Federal Notice The Critical Infrastructure Program will address specific repair and resiliency needs in transportation, energy, water and waste-water sectors. In transportation infrastructure, the program will ensure that New York's transit entities and facilities with eligible storm-related recovery needs are assisted through the FEMA PA program, the Hazard Mitigation Grant Program, the Federal Transit Authority Program (FTA-ER), and/or the federal Highway administration (FHWA).

In energy infrastructure, the State will work to rebuild and repair the Long Island Power Authority system and invest in additional resiliency to reduce future repair and rebuilding costs. The State is also committed to further invest in projects such as microgrids which will not only repair damages from the storms but will further efforts to increase resiliency in these communities. In water and waste-water, the program will target the recovery, repair and resilience of treatment facilities, utilizing available resources from FEMA and/or EPA in addition to CDBG-DR. In each area, the State is committed to utilize its limited resources along with other federal and private resources to address these recovery needs. The Critical Infrastructure Program is now in the design and eligibility review stage. As the

program moves to the project implementation stage, the State will coordinate with local partners to address infrastructure needs across the state.

17) Evacuation Routes:

One commenter indicated the need to improve evacuation routes in Massepequa.

Response:

Improvements to strengthen emergency preparedness and community resilience are being explored by the State with local partners through the New York Rising Community Reconstruction Program. The State is also committed to furthering the education of the public and providing residents with the tools and resources to prepare for any type of disaster, and respond accordingly and recovery as quickly as possible to pre disaster conditions. The State encourages all households to visit www.nyprep.gov and learn how they can begin to plan for a future disaster.

18) Satellite Facility:

One commenter requested construction of a satellite emergency management facility/staging area/dormitory in Rockville Center for the United States Army, ambulances, and fire trucks and New York State police to respond to emergency needs in Southern Long Island.

Response:

GOSR understands that local emergency response and resilience measures are needed to protect against property damage, injury and loss of life in future storm events. The proposed measures include a range of CDBG-DR eligible and non-eligible activities. GOSR is working with the New York State Department of Homeland Security and Emergency Services to ensure a coordinated State response to local emergency response needs.

19) Transportation on Long Island:

One commenter requested investments to address an inadequacy in Long Island's transportation network and the need for resiliency and redundancy to the transportation system.

Response:

Improvements to transportation infrastructure are being explored by the State with local partners through the New York Rising Infrastructure Program.

20) Base Flood Elevation:

One commenter wanted clarification about how to proceed when there are conflicts between insurance requirements and FEMA regulations with respect to base flood elevation and the freeboard.

Response:

Freeboard is a term for extra level of protection above the Base Flood elevation. The New York State Building Code requires 2 feet of freeboard above the base flood elevation. A few municipalities require additional freeboard. The National Flood Insurance Program (NFIP) requires a minimum of 1 foot of freeboard, and rewards additional freeboard up to 3 feet. Homeowners should contact the local building

department and flood insurance company to determine the required amount of freeboard for a given residence.

21) Ombudsman:

One commenter suggested we create the position of an ombudsman to provide status information in the housing programs.

Response:

GOSR has a team of Customer Representatives and an applicant can speak to a supervisor if he/she is unhappy with service they are receiving. A list of intake centers where applicants can meet with their Customer Representatives can be found on the GOSR website <http://stormrecovery.ny.gov/housing-recovery-centers>.

SECTION B: Organizations

1) Sierra Club, Friends of the Earth, and the Clean Air Campaign (Sierra Club, CAL, FOE): Rebuilding restrictions:

The representative for Sierra Club CAL, FOE suggested that the money be used to assist homes and businesses as well as placing an importance on restricting building near or on the shore.

Response:

The State is required to follow all Federal notices and laws as they relate to expenditure of the CDBG-DR dollars. In addition, the state is committed to building the areas back with a level of protection from future disasters through mitigation and elevation programs. In addition, the State is also committed to following Federal orders, laws and notices regarding new construction in a floodplain.

2) Natural Resources Defense Council: resiliency, transparency and overall management

The NRDC noted many suggestions regarding risk management, transparency, resilience, and performance. In addition this organization also noted the importance of resilience as it related to green infrastructure as well as the coordination between all recovery funding. In addition, this commenter also requested additional information regarding the guidelines of the New York Rising Buyout Program.

Response:

The NRDC had a number of comments regarding transparency of expenditures, contracts and agreements as well as clarity about the risk assessment and green infrastructure components within the infrastructure program. GOSR is working in conjunction with other state agencies to execute appropriate recovery programs. As the State develops additional infrastructure programs, the risk assessment as described in the Federal Register Notice FR-5696-N-06 issued on November 25, 2013 and in the action plan will be applied to all projects when required. As required in the notice, certain projects will require a substantial action plan amendment and therefore be subject to 30 days of public comment.

GOSR is committed to incorporating green infrastructure and selection process on a project by project basis utilizing all requirements in the Federal Notice. As programs described in the action plan are implemented, staff will create policies and procedures to outline program requirements and implementation protocols as recommended by HUD.

GOSR is currently reviewing extra proposals submitted by communities that would like to be included in the Buyout Program. Additionally, the Program is maintaining lists of interested participants to document areas where homeowners want the Program to expand and to be able to communicate with them if they become eligible.

3) State of New York Office of Temporary and Disability Services (OTDA): Sandy Housing Assistance Relief Program (SHARP)

The OTDA provided comment to the GOSR that they will not be pursuing the SHARP RFP.

Response:

The impact of Hurricane Irene, Tropical Storm Lee and Superstorm Sandy on the most vulnerable populations cannot be overlooked. Many households, especially rental households, that evacuated or whose homes were damaged by the storms were near the edge of sustainability prior to the storms. Therefore, GOSR has modified SHARP to not only include rental assistance as outlined but also expanding to other housing assistance such as repairs to public housing units for vulnerable populations.

4) Alliance for a Greater New York (ALIGN): Overall Management, NY Rising Infrastructure, Section 3, and New York Rising Buyout Program

A representative from ALIGN noted that there were difficulties with the searchability of the action plan amendment as well as some additional technical challenges with documents on the storm recovery website. Also, this commenter suggested that there should be a way to ensure that resettlement fees go to the resettlement of the homeowner in the NY Rising Buyout Program. Additionally, this commenter addressed affordable housing within New York City and suggested new affordable housing be considered as well as the repair of damaged affordable housing. This commenter noted that there was not an outlined plan for the implementation of Section 3 in the Action Plan. Additional detail regarding matching of CDBG funds with other federal funds was also requested in this comment.

Response:

GOSR is committed to full transparency as required in the Federal Register. The staff continues to ensure that the website is updated daily and it is fully accessible to the public, and that it meets all requirements provided in the Federal Register. The GOSR's website, www.stormrecovery.ny.gov lists CDBG-DR funded contracts. The buyout program is committed to providing resettlement incentives for families. GOSR works with each applicant to ensure that those households who receive the resettlement fee are able to meet the program requirements.

Through the Multi-Family/Affordable Housing Fund, GOSR is committed to addressing affordable housing needs throughout the impacted areas of the State outside of New York City. The program will focus both on the repair of affordable units damaged by the disasters as well as address new affordable housing developments. This program is currently in the design phase, and will be launched in the upcoming months. Additionally, New York City received its own allocation of recovery funds and may choose to allocate funds to this purpose.

In programs where Section 3 is applicable and required by the federal register, GOSR will outline the Section 3 plan for that program in any RFP or other proposal released for that program, any contracts executed, as well as in the program's policies and procedures.

The State is committed to working close with both state and federal partners as they design the federal "Match Program." Potential nonfederal share match projects will be vetted for CDBG-DR eligibility and will go through the process outlined in the action plan as well as in accordance with the program's policies and procedures.

5) Rebuilding Together New York: VOAD Participation in New York Rising Community Reconstruction (NYRCR)

Rebuilding Together requested more information on the eligibility of requirements for the non-profit volunteer organizations to participate in the New York Rising Community Reconstruction and how volunteer labor can assist in home rehabilitation and reconstruction, job training, energy efficiency, and construction programs. In addition, this comment requested \$20 million dollars potentially from the NYRCR allocation to support the financially sound Volunteer Organizations Active in Disaster (VOAD) to complete home repair projects that are not covered by another funding source.

Response:

The New York Rising Community Reconstruction (NYRCR) program is a ground up planning process engaging the communities to identify their top recovery needs. As GOSR moves towards the implementation phase of the program, GOSR will work to identify subrecipients to begin the implementation process. The State understands the importance and benefits of the VOADs their role in the recovery and will work with them as applicable through the implementation of the NYRCR program. GOSR understands that, in keeping with the requirement to not duplicate benefits received for the same purpose, no project could be funding for work on homes in which case homeowners were not eligible for funding because they had received full funding from other sources.

6) Health and Welfare Council of Long Island (HWCLI): Support and recommendations for Sandy Housing Assistance Relief Program

Health and Welfare Council of Long Island commends the state's plan to create SHARP. They recommend that the state follow the Disaster Case Management as it is the optimal service delivery model for this program.

Response:

The impact of Hurricane Irene, Tropical Storm Lee and Superstorm Sandy on the most vulnerable populations cannot be overlooked. Many households, especially rental households, that evacuated or whose homes were damaged by the storms were near the edge of sustainability prior to the storms. As noted, the Office of Temporary Disability Assistance has provided public comment that the agency will no longer pursue SHARP. Therefore, GOSR has modified SHARP to not only include rental assistance as outlined but also expanding to other housing assistance such as repairs to public housing units for vulnerable populations.

7) Enterprise Community Partners: Support for SHARP and support for public-private partnerships

The commenter noted that the rental allocation falls short of meeting the need in rental housing, and the State should continue to work with other federal partners to secure additional funding. The commenter also noted their support of SHARP. In addition, there is support to consider leveraging public-private partnerships to finance and support strong rebuilding.

Response:

The state will continue to explore public-private partnerships to support rebuilding as the guidance suggests. The state is committed to assisting renters impacted by Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy, and continues to evaluate the unmet needs as the state works through the program design and identifies additional need in impacted areas outside of New York City. Additionally, New York City received its own allocation of recovery funds and may choose to allocate funds to this purpose. If additional unmet need is identified, the state will assess its programmatic approach to address outstanding needs.

As noted, the Office of Temporary Disability Assistance has provided public comment that the agency will no longer pursue SHARP. Therefore, GOSR has modified SHARP to not only include rental assistance as outlined but also expanding to other housing assistance such as repairs to public housing units for vulnerable populations.

8) NAACP Legal Defense and Educational Fund, Inc (LDF): Fair Housing

This NAACP shared a number of observations about transparency and process as well as comments about needs of renters and affordable housing. The representative from the NAACP noted that the most recent Quarterly Performance Report was not accessible on the website. In addition, the commenter commented on the public hearing process in New York City. The commenter included comments addressing the rental housing unmet needs outlined in the action plan. The commenter also requested clarity about the goals of the State's Affordable Housing Program and its efforts to affirmatively further fair housing.

Response:

As noted in Action Plan Amendment No. 6 the governor created the Governor's Office of Storm Recovery to maximize the coordination of recovery and rebuilding efforts in storm-affected municipalities throughout New York State. The state is committed to transparency, as well as providing the public with all information required per the notices. The November 25, 2013 Federal Register Notice FR-5696-N-06 indicates that the grantee is required to amend their initial action plan to include the plan for the additional funding. Therefore, Action Plan Amendment No. 6 is an amendment to the initial Action Plan. All of the items in the initial Action Plan including action plan amendments 1-6 will all remain applicable to this funding. The state is also committed to the certifications which it provided along with the initial action plan. As the recovery needs evolve, the state, as required by the notice, will update the certifications as needed. As identified in the initial action plan as well as the certifications, the state is committed to affirmatively further fair housing and is committed to provide clarity to the public through reporting mechanisms such as the QPR on this status.

In keeping with the requirements of the notice, GOSR has created transparency tools including its website. Currently, www.stormrecovery.ny.gov holds all information regarding the CDBG-DR funding including but not limited to all Action Plan Amendments as well as all Quarterly Reports as required by HUD. In addition, to ensure compliance with the requirements of the notice regarding an analysis to identify impediments to fair housing, GOSR will coordinate with HCR's Policy group which has responsibility for coordinating the assembly of the ConPlan, the annual Action Plan updates, and the CAPERS, for scheduling and hosting public meetings on those documents, and for submitting the documents to HUD on time.

Counties eligible for assistance under the state's CDBG-DR allocations have always included the five counties of New York City. The notice for the second allocation shifted which counties in the state's portfolio could be counted towards the 80% share of resources. This now includes New York City. However, since New York City has its own allocation, the state has focused most of its programs in areas of the state outside of New York City. Some of the state's programs are available in the City's boundaries, including the New York Rising Community Reconstruction Program, the New York Rising Buyout Program and some projects within the Infrastructure Program.

In regards to the comment on the rental housing needs contained in the action plan amendment, it is important to note that the State was also concerned that the analysis not overlook those with potential rental housing needs. The state is committed to assisting renters impacted by Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy, as well as retain and increase the availability of affordable housing. The state has added an additional \$25 million to the Rental program for both repair of damaged units and the increase of affordable housing. As the State launches these new initiatives and works with property owners and tenants in the affected areas, it will continue to evaluate unmet needs for rental

housing. If additional unmet need is identified, the State will re-assess its programmatic approach to address outstanding needs with available resources. Any resulting proposals to significantly modify or augment the State's programs go through the public comment process as outlined in the federal notice.

The state is also committed to addressing the needs of those displaced households who are being assisted with Disaster Housing Assistance Program (DHAP) through coordination with other state agencies. As the population and its needs are identified, the state will work through programs outlined in the action plan and its amendments to assess remaining unmet needs. As noted in Action Plan Amendment No. 6, the state is committed to address the affordable housing need which resulted from by Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy. This Affordable Housing program is in developmental stages at this point and the assistance will be further outlined in the policies and procedures.

9) Nature Conservancy: Comprehensive Risk Analysis, New York Rising Community Reconstruction Program, Buyout and Infrastructure Programs

The Nature Conservancy endorsed the comprehensive analysis and encouraged that the risk analysis tool be made publicly available. This commenter also supported the creation of coastal buffer zones through the increase in budget for the New York Rising Buyout Program and suggested that site development be weighed against resilience and ecological benefits of leaving a site undeveloped. Additionally the commenter also commended the increase in funds for both the New York Rising Community Reconstruction Program as well as Infrastructure Program. Additionally, this commenter added support for the Bay Park Wastewater Treatment plant and natural green infrastructure.

Response:

The risk analysis tool is currently under development. Future action plan amendments incorporating risk analysis will provide opportunities for public review and comment. GOSR advocates for nature based resilience and have incorporated such measures into our programs. GOSR will undertake appropriate review of all site development opportunities. GOSR is committed to incorporating green infrastructure and selection process on a project by project basis utilizing all requirements in the Federal Notice.

Currently, the State has committed to address storm-related recovery costs for the Bay Park Waste-water Treatment Facility in Nassau County once the assessment of damage is completed through the Federal Emergency Management Agency's (FEMA) Public Assistance Program. The State also intends to support the proposed ocean outfall pipe for this facility if engineering and other technical studies indicate that the project is warranted. The State continues to work with FEMA, Environmental Protection Agency (EPA), and other federal partners to assess the outstanding needs of other large infrastructure projects including waste-water facilities. GOSR staff on Long Island is working with local partners to identify appropriate solutions.

10) Erase Racism: Affirmatively furthering fair housing, Incorporating fair housing obligations, ensuring effective outreach, rental units and rental needs

A commenter noted that the State should ensure equal opportunities for Sandy relief and ensure that the State meets their obligation to further fair housing as well as that the state ensures that any subrecipients are also complying with this obligation. In addition, the commenter expressed concerns on the rental analysis completed in Action Plan Amendment No. 6 and concern for efforts needed to meet the rental needs of the impacted rental population. The commenter also emphasized the need to ensure effective outreach to communities.

Response:

The State of New York recognizes the importance of the federal provisions to ensure Fair Housing and Equal Opportunity (FHEO) and is committed to running all of its programs in a way that promotes equal opportunity and prevents discrimination. The State understands that this objective cannot be fulfilled unless it is diligent in requiring its program partners to also be committed to opening up opportunities for all households and fulfilling the Federal FHEO requirements. In addition, to ensure compliance with the requirements of the notice regarding an analysis to identify impediments to fair housing, GOSR will coordinate with HCR's Policy group which has responsibility for coordinating the assembly of the ConPlan, the annual Action Plan updates, and the CAPERS, for scheduling and hosting public meetings on those documents, and for submitting the documents to HUD on time.

The State has developed a variety of rental housing programs to address the needs of renter households in communities impacted by the storm outside of New York City. In each case, the State will work with its participating property owners and its other development partners to develop marketing protocols that ensure that historically disadvantaged households including African Americans and Hispanics and "those least likely to apply" are informed of the opportunities that are being made available and that these all households are given a fair opportunity to rent the units that are being produced.

With regard local governments in the impacted areas and the quality of their records of FHEO compliance, it is important to understand that the State will not be contracting directly with local governments for its housing and economic development programs but will instead be operating the bulk of its initiatives itself or through a vendor with assistance being awarded directly to owners/developers. In addition, all contractually obligated partners are required to adhere to all of the applicable Fair Housing and Affirmative Marketing provisions.

In regards to the comment on the rental housing needs contained in the action plan amendment, it is important to note that the State was also concerned that the analysis not overlook those with potential rental housing needs. The state is committed to assisting renters impacted by Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy, as well as retain and increase the availability of affordable housing. The state has added an additional \$25 million to the Rental program for both repair of damaged units and the increase of affordable housing. As the State launches these new initiatives and works with property owners and tenants in the affected areas, it will continue to evaluate unmet needs for rental housing. If additional unmet need is identified, the State will re-assess its programmatic approach to address outstanding needs with available resources. Any resulting proposals to significantly modify or augment the State's programs go through the public comment process as outlined in the federal notice.

The State agrees with commenter that outreach is a critical part of the success of any rental housing initiative especially ones that are operating in the wake of a significant disaster. The state will be working with a range of local partners to ensure that the programs are widely marketed and that the opportunities created by these programs are made known to the full range of groups that may benefit.

Finally, the State also recognizes the need to develop programs that can address the full range of the rental housing need providing options for those units in the poorest condition and those owners that are serving those households with the lowest incomes. With this in mind, the State's programs have been

developed to prioritize affordable units serving low income households and to make accommodations in its funding formula for properties with the greatest unmet needs.